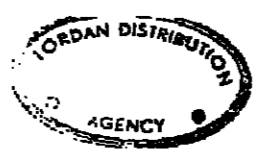


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The Global Newspaper Edited and Published in Paris

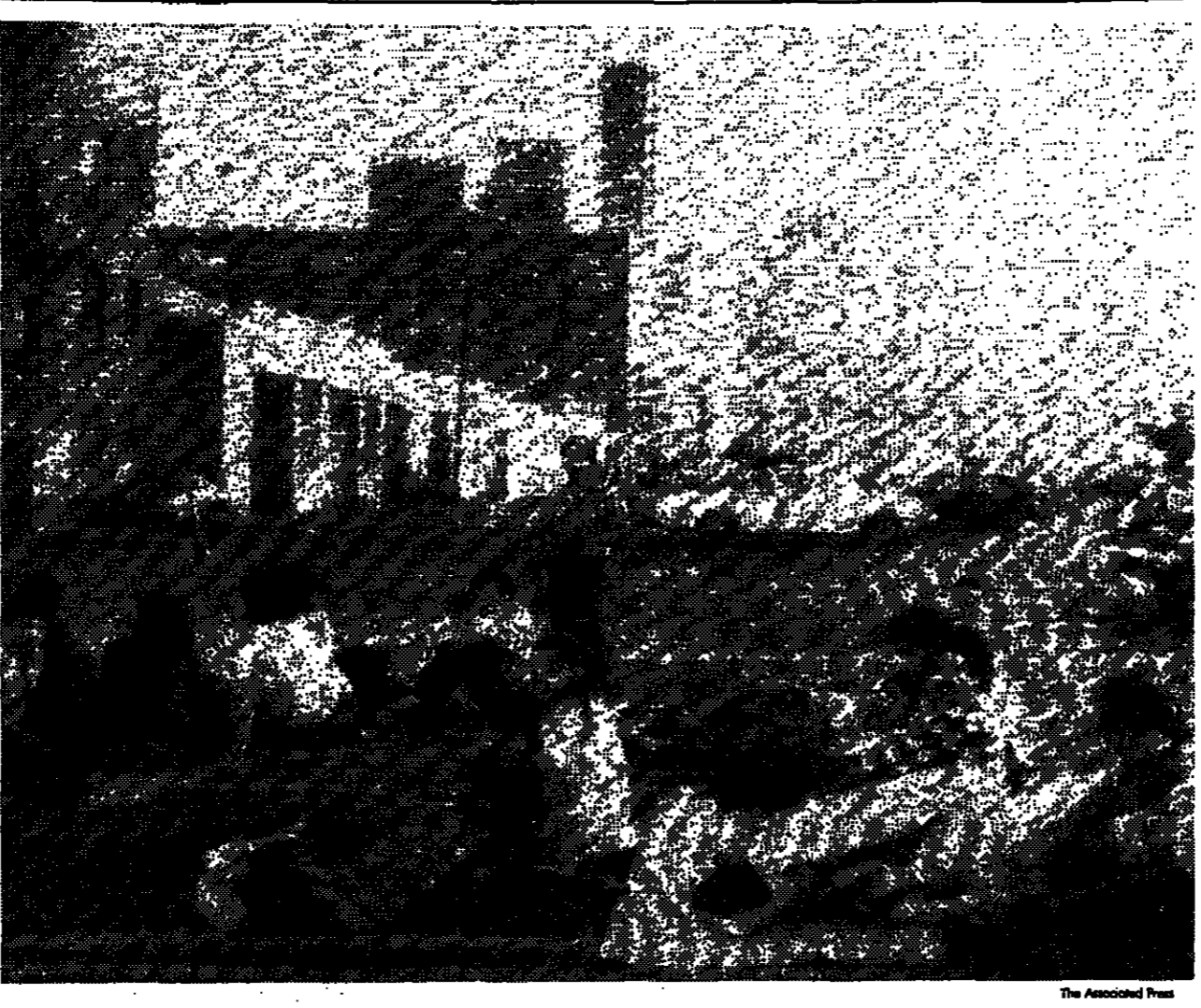
INTERNATIONAL Herald Tribune

Table with subscription rates for various countries like Algeria, Australia, Belgium, etc.

No. 32,537 41/87 PARIS, MONDAY, OCTOBER 5, 1987 ESTABLISHED 1887

Quake Challenges Detection Methods

By Jay Matthews Washington Post Service PASADENA, California — A preliminary investigation of Thursday's earthquake indicates that it originated in a previously unknown extension of the Whittier Fault...



Apartment dwellers in Los Angeles decided that camping out was the wisest choice after Sunday morning's tremor.

Aftershock Hits A Jittery L.A.

WASHINGTON Post Service ALHAMBRA, California — A major aftershock from last week's earthquake jolted Southern California early Sunday, creating a short-lived wave of panic but not adding much to Thursday's \$80 million in damage.

Saudis Mobilized As Iran Flotilla Nears Oil Fields

By Patrick E. Tyler Washington Post Service DUBAI, United Arab Emirates — Saudi Arabia conducted a full military mobilization, including land troops, and sent an urgent warning to Iran that it was ready to "make a stand" against any attack after Iran launched about 60 armed speedboats against a Saudi offshore oil installation...

U.S., Canada Reach Free Trade Pact

By Stuart Auerbach Washington Post Service WASHINGTON — The United States and Canada, the world's two largest trading partners, beat a weekend deadline and reached an historic free trade agreement that will greatly reduce tariffs and other trade barriers.

U.S. to Give Managua Conditions for Forestalling Contra Aid

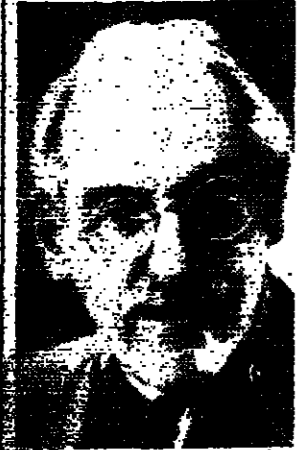
By Joel Brinkley New York Times Service WASHINGTON — After weeks of debate over its Central American policy, the White House has settled on a list of demands the Nicaraguan government must accept to forestall a request to Congress for renewed military aid to anti-government rebels.

...The bottom line is, are the Sandinistas willing to have themselves voted out of power? — A Reagan administration official

...The White House has previously been unwilling even to say that it would wait until Nov. 7 to make its request. But on Friday an official said the plan was to make no request before then.

Kiosk Kaunda's Son Died of AIDS

LUSAKA, Zambia (Reuters) — President Kenneth Kaunda revealed Sunday that his son had died of AIDS, and appealed to the international community to unite to combat acquired immune deficiency syndrome.



Jean Anouilh, the French dramatist, died in Lausanne, Switzerland, at 77. Page 4.

Race Becoming Intense To Succeed Nakasone Continuity of Policies Is a Certainty

By Clyde Haberman New York Times Service TOKYO — Japan begins this week the formal process of choosing its next prime minister, arguably the most important position of dubious influence in the non-Communist world.



Tremolino Wins \$650,000 Prix De l'Arc de Triomphe in Paris The French owner Paul de Moussac, left, congratulating his horse Tremolino and the Irish jockey Pat Eddery on Sunday after Tremolino came from deep in the 11-horse field to win the Prix de l'Arc de Triomphe at the Longchamps racetrack in Paris. The 4-million-franc (\$650,000) purse is the richest in European racing. The favorite, Reference Point, came in eighth. Page 13.

London Hearts Know Where the Wild Goose Goes

By Howell Raines New York Times Service LONDON — Autumn is settling over London, bringing all its familiar glories and one distinct surprise for any American with a homesick ear.

In London, such oddities almost always bear investigation. In this case, it takes little investigation to discover that the aristocrat of the American flyways is a much-despised bird here.

Egg snatching is a gentler method of population control than that used in the past, when up to 100 geese at a time were killed by injection. These mass executions were kept very quiet for fear of rousing the Royal Society for Prevention of Cruelty to Animals.

GENERAL NEWS Carlos Salinas de Gortari was named as the ruling party's candidate for president in Mexico, winning election. Page 5.

SPORTS Detroit beat Toronto 1-0, and won the American League East title. Page 13.

BUSINESS/FINANCE OPEC's president said the cartel's crude oil production will be cut in September. Page 7.

MONDAY Q&A Howard Kuzar, a currency trader, discusses the effect of industrial nations' recent statements. Page 9.

One of a series of messages from leading companies of the world appearing during the IHT's anniversary year.

Royal Dutch Airlines

WHICH ONE IS NEW?

You probably recognize all but one of these famous company names.

May we introduce the newcomer - KPMG. Previously, as Peat Marwick and KMG we were, of course, well known.

Now we have come together to form the world's largest firm of accountants and

consultants. A firm that happens to have worked with all of these famous names.

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KPMG - initially you may not have recognized us. Now you will.

Negotiations With Spain On U.S. Troop Presence Are Stymied, Aides Say

By Paul Delaney
New York Times Service

MADRID — Facing a Nov. 13 deadline, U.S. and Spanish negotiators remain as far apart as ever in their search for an agreement on the future of American military forces in this country.

Negotiations, begun in July 1986, are scheduled to resume here in two weeks, but officials of both sides say there is little sign of progress.

Spain insists that the 14,000 American troops in the country be cut back and a squadron of 72 F-16 jet fighters be removed. U.S. officials say they have accepted the demands, but only with the proviso that Spanish armed forces, under NATO control, assume the tasks being abandoned by the Americans.

These conditions, the Americans say, have been rejected by the Madrid government.

The impasse has fostered frustration and tension among officials of the two countries and their allies, with each side privately accusing the other of ignoring its political problems.

Spanish officials say compromise could be an admission of weakness that could inflame a mortal blow to the Socialist government's declining political fortunes.

When it was campaigning against a referendum in March 1986 to withdraw Spain from NATO, the Socialist prime minister, Felipe Gonzalez, assured wavering voters that American troop levels would be reduced, particularly at Torrejon Air Base near Madrid, where the F-16s are based.

Since then, the Socialists have been shaken by demonstrations and strikes that resulted in substantial losses for the party in regional and local elections in June. Officials fear that any concession on the American bases would further erode the following of the Socialists.

"With everything that has gone on, it is now impossible for us to change," a Socialist official said. "You may say that the NATO referendum was a mistake and you may be correct. But that is a fact now."

American officials say they fear that if the United States consents to sweeping restrictions on its military presence in Spain, other nations, especially Greece and the Philippines, could follow suit.

Portugal has also threatened to take a new look at American bases in the Azores, and Turkey has expressed dissatisfaction with what it perceives as U.S. favoritism toward Greece in its territorial dispute with Turkey in the Aegean Sea.

In the year of talks, the Americans offered compromises that were rejected as Spanish officials held fast.

"We've already agreed that the troops should be reduced," a U.S. official said. "We've also agreed to remove the planes — but with the proviso that the cuts be made up by Spanish forces and that Western security is not diminished."

The negotiations really are only about what happens when we leave certain security and NATO obligations are maintained," the official added. He cited such concerns as fleet support, communications, surveillance of the western Mediterranean, logistics, training and tactical air power.

Besides Torrejon, the United States shares air bases with the Spaniards at Saragossa and Moron, a huge navy base at Rota and communications, observation and munitions posts in the Canary Islands.

The 35-year-old treaty that established the Spanish bases expires May 13. If Spain decides not to renew, it must inform the Americans six months before that date.

Spanish officials resist integrating its armed forces under NATO command. They have said they believed that the United States was more concerned with Mediterranean than Spanish security.



EGYPTIANS TO VOTE — A Cairo woman passing posters of President Hosni Mubarak. Egyptians vote Monday in a referendum on giving him a new six-year term.

Group Faults U.S. on Glasnost

Bipartisan Panel Says West Isn't Responding Creatively

By David K. Shipler
New York Times Service

WASHINGTON — A bipartisan task force of 40 Americans, including advisers to several Republican and Democratic presidential candidates, has expressed concern that the United States and other Western countries are failing to respond creatively to the opportunities offered by the new directions in Soviet policy under Mikhail S. Gorbachev.

In a 38-page report made public Saturday, the group urged stepped-up talks on conventional arms reductions, regular summit meetings, the possible relaxation of trade barriers if Soviet human rights performance improves, Soviet observer status in international financial institutions like the International Monetary Fund, Soviet-American cooperation in the Middle East and other steps designed to identify and exploit overlapping interests.

The task force, assembled by the Institute for East-West Security Studies in New York, was made up of "centrist Republicans and centrist Democrats," said John Edwin Mroz, the institute's president.

The group, which met six times in eight months, included specialists on the Soviet Union, former government officials, industrialists, journalists and others interested in foreign policy. Its co-chairmen were Whitney MacMillan, chairman of Cargill Inc., an agricultural business organization, and Joseph Nye, director of the Center for Sci-

ence and International Affairs at Harvard University.

Although the members participated as individuals, the involvement of several of them in various presidential campaigns seemed to underscore the broad impact that Mr. Gorbachev's effort to liberalize Soviet society has had on Americans' thinking.

Mr. Mroz named those active in campaigns as Kenneth W. Dam, a former deputy secretary of state now associated with Vice President George Bush; Rita Hanzer, a lawyer supporting Senator Bob Dole, Republican of Kansas; Mr. Nye, who is close to Governor Michael S. Dukakis of Massachusetts; and Stephen Swid, chairman of SBK Entertainment World, who supports Senator Paul Simon, Democrat of Illinois.

Their report began with an analysis of the Gorbachev policies, both domestically and internationally, and rejects what Mr. Nye called the "two main streams of skepticism about the changes. One is, 'Gorbachev won't last; let's wait and see if he's real.' Mr. Nye said. The other is, 'Whatever Gorbachev is doing, it must be a trick.'"

"But it's not a trick," Mr. Nye said. "It's deeply rooted in their domestic difficulties," particularly their poor economic performance. "And that is something we're not taking advantage of."

How long the changes will last is less clear, especially glasnost, or openness, with its modicum of pub-

lic debate. But even if Mr. Gorbachev were to be forced out of office by some monumental event, or if adverse economic developments forced some of the changes to be trimmed back, Mr. Nye said he saw the shifts as "more than a question of personality."

"What we're seeing is a combination of generational change in the Soviet Union," he said. "It's rooted in the fact that Brezhnevism and all the other remnants of Stalinism were a miserable failure, and they're beginning to realize it."

The report took a cautious but conciliatory tone. "While the Soviet Union remains a closed communist society," it said, "Gorbachev has challenged a whole series of ingrained practices and attitudes from strictly centralized economic management to an often-militarized foreign policy."

On arms control, the task force urged the West to push for reductions in long-range weapons and an agreement on chemical weapons. On President Ronald Reagan's idea for a space-based defense system, the report said only that "both sides need to find ways to strengthen the ABM treaty and to insure that any research on strategic defensive systems is consistent with preservation of the treaty."

The group also suggested that the United States "should consider" linking reductions in trade restrictions to a relaxation of Soviet obstacles to Jewish emigration.

Nearly 100 Arrested in Basque Raids

By Paul Delaney
New York Times Service

BILBAO, Spain — The Spanish police detained eight more people Sunday in a crackdown on armed Basque nationalism in France and Spain, bringing to almost 100 the number of arrests made over the weekend.

Officials said the police in the Basque towns of Bilbao and San Sebastian were questioning nine Spanish Basques who were detained in France on Saturday and immediately handed over to the Spanish authorities.

One of the nine was a priest, the Reverend Ramon Landera Martin, the officials said.

French authorities arrested at least 91 people in a series of raids Saturday, leading to protests by French and Basque residents of the southwestern city of Biarritz.

France expelled two Spanish Basques on Saturday bringing to 92 the number of guerrilla suspects sent across the border since France and Spain agreed in July to clamp down on separatist activity.

The police said they had seized files listing dozens of names and addresses of people suspected of supporting or joining the Basque separatist group, and the French Basque separatist movement Iparratarak.

Helicopters hovered over isolated mountain hamlets as 500 police officers set up road blocks and raided hundreds of homes in Bayonne, Biarritz, Saint-Jean-de-Luz and a score of villages.

Follow-up searches were also carried out in five cities across France, the police said.

Violent protests against the raids erupted in Biarritz in the afternoon. Police officers with riot sticks charged 100 to 200 demonstrators who gathered in response to a call by Spanish Basques in France to join the protests.

The crackdown came after the arrest earlier this week of the military commander of ETA Santiago Arraizpe Zaramela and of another man suspected of being an ETA leader, Iñaki Pradera Barrena.

In Madrid, five Basques who joined an ETA commando unit were sentenced Friday to 12 years each in charges of possessing weapons and belonging to an armed group.

AFP, Reuters

Jean Anouilh, French Playwright, Is Dead at 77

Compiled by Our Staff From Dispatches

LAUSANNE, Switzerland — Jean Anouilh, widely considered to be one of the 20th century's greatest playwrights, died Saturday after a heart attack, a family member said Sunday. He was 77.

The French dramatist, who had lived in Switzerland for many years, died at the Vaudois University Hospital Center in Lausanne. Mr. Anouilh, known for dramas such as "Antigone" and "Becket," won acclaim for plays and screenplays that are technically deft and thoroughly human.

He wrote his first play at 19, but his initial success came with "The Ermine" in 1932.

Other dramas included "The Waltz of Toreadors," written in 1952, and "The Lark," written in 1953 and dealing with the spiritual adventure of Joan of Arc.

"It is a great writer who has disappeared, one whose works have marked the French theater," said President Francois Mitterrand of France.

"I write plays as a chair-maker makes chairs," Mr. Anouilh once said. "Chairs are made to be sat on, and plays are made to be played, to provide actors with work and the public with entertainment."

"But aside from practical purposes, a play, like a chair, can be designed with artistry."

Mr. Anouilh divided his works into two categories: "black" plays and "rose" plays.

Among his best known black dramas was "Antigone," a modern-day version of the classical Greek tragedy that pits the idealism and purity of youth, symbolized by Antigone, against hard-nosed reality and pragmatism, incarnated by Creon.

Performed worldwide after he wrote it in 1944, the play turned Mr. Anouilh into something of a national hero for French audiences, who interpreted it as a Resistance play and applauded the author's defiance of the German authorities.

Mr. Anouilh's plays set moral men and women in an immoral world. His heroes and heroines reject a society they believe is vulgar and corrupt and live on the fringes.

"I am a comic misanthrope," he once said. "I am surrounded by foulness, the world is foul and it is plain to see."

Jean Anouilh was born June 23, 1910, in Bordeaux, where he spent his early childhood and adolescence.

He studied law briefly and then joined an advertising firm, an experience he would later say had taught him "to be ingenious and exact."

Mr. Anouilh developed a passion for the theater while still a student. From the balcony, he saw the great theatrical productions of the 1920s by Louis Jouvet, Francis Coppeau and Charles Dullin. One of his fondest memories was watching a performance in 1928 of Jean Guittinger's "Siegfried."

"It changed all my notions about theater," he said. "How I wept!" In addition to his plays, Mr.

El Salvador, Rebels Open Peace Talks

By Paul Delaney
New York Times Service

SAN SALVADOR — Government leaders and leftist rebels met Sunday for their first public talks in three years to discuss ways of ending El Salvador's eight-year civil war.

The last public negotiations between the government and the rebels ended in discord on Nov. 30, 1984.

The two sides are still far apart on major issues, and the talks began nearly five hours behind schedule because of the late arrival of the rebel delegation. The rebels accused the Salvadoran army of causing the delay by impeding the travel inside the country of two of their delegates.

First to arrive at the Vatican Embassy for the negotiations were government representatives led by President Jose Napoleon Duarte.

The rebels arrived moments later and a Roman Catholic Church spokesman said the delegations had lunch together and then opened talks.

A block from the embassy, several thousand demonstrators gathered in an open field. The crowd was divided between government supporters waving white banners and members of leftist groups waving red ones, with the anti-government demonstrators appearing to have a substantial edge in numbers.

The two groups shouted insults and competed for attention over separate public address systems. There were no major incidents of violence.

And last but not least, send the Soviets and the Cubans home. These are among the White House demands on Nicaragua that are not included in the Guatemala agreement.

Negotiate a cease-fire with the Contras either directly or through a third party, instead of merely declaring a partial, unilateral truce, as Nicaragua has already done. Mr. Tumenmann said his government was willing to accept that Cardinal Miguel Obando y Bravo, the Roman Catholic primate of Nicaragua, "could play an active role" in negotiations with the Contras.

Free all political prisoners. About 2,300 of them, mostly former members of the National Guard during the rule of General Anastasio Somoza, are still in prison. Some have already been freed, and others will be released in the months ahead, Mr. Tumenmann said. But some of them, he added, "are responsible for such atrocious crimes that they will never be pardoned because the Nicaraguan people would not accept it."

Disband neighborhood committees, formally known as Sandinista Defense Committees. The committees distribute food ration cards, supervise registration for military draft and monitor any dissident behavior.

Reduce the size and power of the military so it is in proportion with the military of Nicaragua's neighbors. The Guatemala plan calls for eventual regional negotiations on this point, and Nicaragua has pledged to take part. Mr. Tumenmann said his country would be willing to consider "a reduction in some offensive weapons."

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GULF: Saudis Mobilized as Iran Flotilla Nears Its Coast

(Continued from Page 1)

earlier in the week near Kharg Island and that the force had begun moving across the waterway by Friday. The sources said that, based on intelligence reports from the region, U.S. and Saudi officials believed the assault force intended to attack at least two platforms in the Khargi field.

The earnings from the field's output of 300,000 barrels a day are donated by Saudi Arabia and Kuwait to Iraq, which is fighting Iran in the Gulf war.

Sources in Washington and the Gulf said U.S. air force warning and control systems planes, known as AWACS, tracked the Iranian boats across the Gulf as they sped toward the Khargi field. Shipping sources said some workers on offshore oil platforms in the area reported seeing about a half dozen unidentified warplanes diving on the Iranian boats, but reported no signs of weapons being fired.

The Iranians pulled back and disappeared into the night," said a Western official in the Gulf.

A source in Washington said the Saudi Arabian government sent an emergency message to Tehran as the flotilla was zigzagging across the Gulf Friday night.

According to this source, the Saudi government was convinced the flotilla intended to attack on-

FAULT: Methods in Doubt

(Continued from Page 1)

look for other hidden faults. But they acknowledge that their efforts are limited by the great depth involved and the expensive equipment required.

Jerry Eaton, a research seismologist at the Geological Survey office in Menlo Park, near San Francisco, noted that scientists did not immediately accept the notion that the visible areas of slippage, or faults, on the earth's surface signaled earthquake zones.

Once that was proved, "We got the notion that if we took our map and put down all the faults we could see, we had done our job," he said.

Now, much more research is necessary, particularly at the frayed ends of visible fault lines where odd, hard-to-detect earth fractures often occur.

Ms. Jones said the initial data indicated that the Whittier Fault, of the common vertical type with visible slippage lines on the surface, plunges underground and twists until it forms a broad, nearly horizontal fracture zone eight miles down.

She and Mr. Eaton said hills formed by a buckling of the Earth's surface, provide one clue to the existence of horizontal faults underground.

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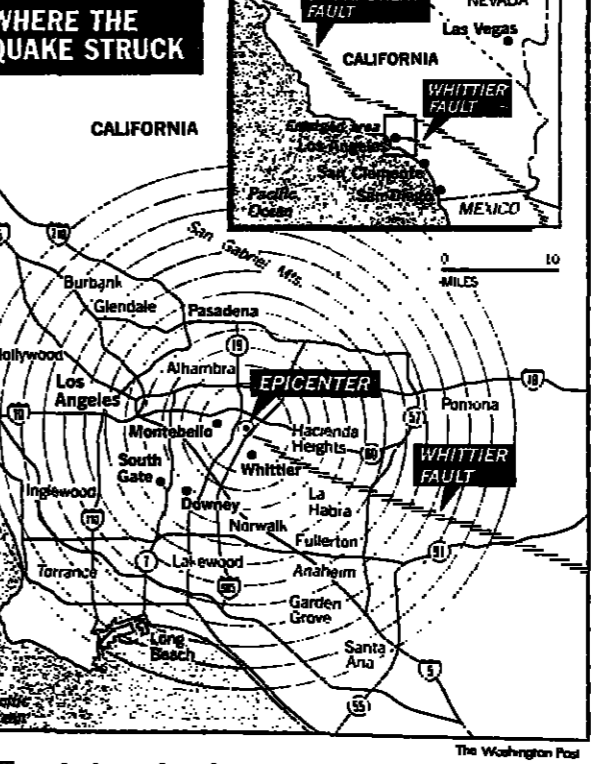
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WHERE THE QUAKE STRUCK



Thursday's earthquake was centered near Whittier.

AFTERSHOCK: L.A. Is Struck

(Continued from Page 1)

shelves, collapsed already weakened walls and chimneys, set off thousands of automobile burglars and left many Los Angeles area residents standing on street corners, red-eyed and groggy as they faced another day of temperatures over 38 degrees centigrade (100 degrees Fahrenheit).

The authorities blamed the early morning aftershock, which was centered about nine miles northeast of downtown Los Angeles, for the death by heart attack of a 66-year-old woman.

Several hospitals reported treating cuts and bruises, and one person was hospitalized with a broken back.

Rock slides and falling concrete

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AMERICAN TOPICS

Eiffel Tower Joins In Trib Birthday Bash

The International Herald Tribune has celebrated its 100th anniversary in what Reuters called a gathering of the cream of the journalistic world in France and the United States.

The tower, only half built when the Trib first published in 1887, duly dimmed.

The gala was part of the \$2 million festivities organized by the paper for its centenary year.

Washington, New York and Paris.

Short Takes

The Department of Agriculture plans to reclassify lean beef from "USDA Good" to "USDA Select" to improve the image of low-fat beef and to encourage consumption of leaner cuts of meat.

Mayor Henry Maier of Milwaukee plans to build the world's largest fountain, one that will spout water 600 feet (180 meters) into the sky over Lake Michigan.

Former President Richard M. Nixon has been telling friends that President Ronald Reagan will survive the Iran-contra crisis because he can always say, "I was stupid."

Notes About People

Johnny Carson, 61, observed his 25th anniversary as host of the late-hours "Tonight Show" by telling his audience, "I was going to hang it up. But I found I was having so much fun, I wanted to stick around awhile. So if you want to stick around, we'll stick around."

John C. Tower, who headed the special presidential commission that investigated the Iran-contra affair, is writing a book that calls the arms scandal part of a growing conflict between Congress and the president over the making of foreign policy.

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Why They Are Called Washington Redskins

The current debate in The Washington Post letters column

over where the capital's professional football team, the Redskins, got their name, apparently has been settled by Jordan Harrison Price. She is the granddaughter of the late George Preston Marshall, who founded the team in Boston in 1932.

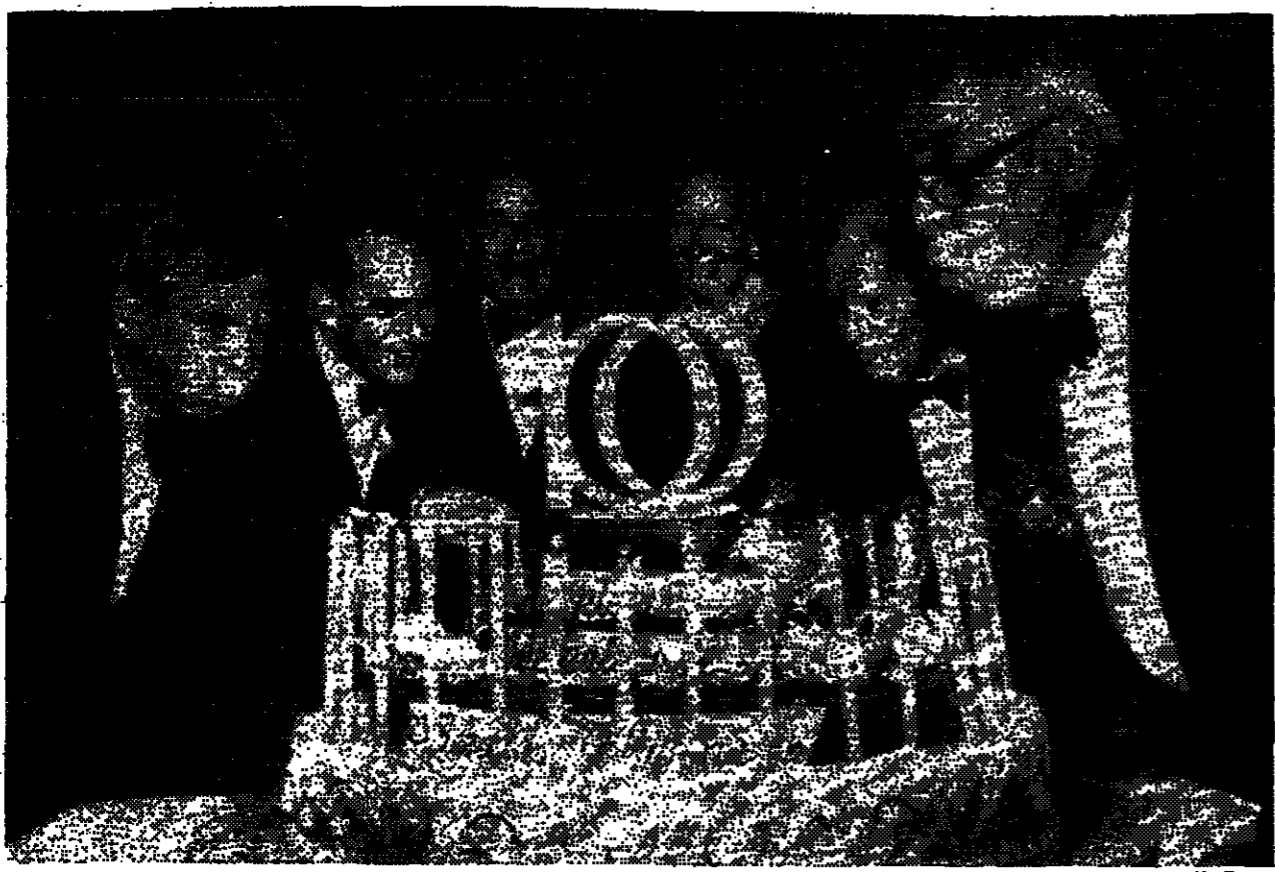
Some say the name's origins are racist, Mrs. Price noted. "Others contend they were named to honor the brave patriots of the Boston Tea Party who dressed up as Indians and threw bales of tea into Boston Harbor."

"But when Marshall moved his football Braves over to Fenway Park," home of Boston's other baseball club, the Red Sox, "the baseball Braves strenuously objected to his continuing to use the name 'Braves,' since they were no longer playing in Braves Field."

So Marshall picked an approximate synonym, Redskins, "because he had always been an admirer of the American Indian and because one of the team's coaches, 'Lone Star' Dietz, was himself an American Indian."

Mrs. Price did not try to establish here the baseball Braves got their name.

—ARTHUR HIGBEE



Blowing out the candles Saturday night on the International Herald Tribune's birthday cake at the Trocadero gardens were, from left, Lee W. Huebner, publisher; John Vinocur, executive editor; Arthur Ochs Sulzberger of The New York Times and Katharine Graham of The Washington Post, co-chairmen; Walter N. Thayer of Whitney Communications Co., president of the Trib, and the humorist and columnist Art Buchwald.

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"The president has authorized me to say on this program this morning that he's going to press through to conclusion, to a vote on the Senate floor," Mr. Hatch said.

Cuomo Calls Rumor About Family False

WASHINGTON — Governor Mario M. Cuomo of New York has said that rumors have been spread that he is not running for president because of past misdeeds by his family, including his wife's parents.

Mr. Cuomo, in a telephone conversation he initiated, emphatically denied any wrongdoing in his family's past. He declined to elaborate on the rumors, saying he did not want to give them currency.

Mr. Cuomo, a Democrat, repeated that he was not running for president. But he said that "if anything could change" his mind about the race, it would be the notion that he was not running because of past actions of his family.

"I would be the thought that they were using that Italian-American stereotype and that my not running was feeding it. That's one thing that would make me go out of my mind."

"I keep hearing in-laws" he said. "Why would anybody say in-laws?" He was apparently referring to gossip that an investigation could turn up something embarrassing.

Mr. Cuomo initiated the phone conversation on Saturday with The New York Times, saying he wanted to know about the spread of rumors about his family after he was interviewed Friday for the CBS News program "Face the Nation."

Mr. Cuomo said on the program, broadcast Sunday, "I'll never be president."

"I have no great desire to prove that I could get to the top of the heap," he said. "I won't get a chance because the Democrats are going to be in place for eight years and by then I will be a vague whisper of a footnote in the book of New York State life."

3 Ex-CIA Chiefs Not Surprised Casey Met Woodward

WASHINGTON — Three former CIA directors have said they are not surprised that William J. Casey met repeatedly with Bob Woodward of The Washington Post. They were divided, however, over whether Mr. Casey was responsible for revealing delicate CIA secrets to Mr. Woodward.

Two of the three expressed concern that revelations in Mr. Woodward's book "Veil: The Secret Wars of the CIA, 1981-1987" could damage U.S. security interests.

The book has revived the debate over who was responsible for leaks to the press about covert operations under Mr. Casey.

Mr. Casey repeatedly blamed members of the Senate and House intelligence oversight committees for most of these disclosures, and Mr. Woodward quotes him as saying at one point, "I told you congressional oversight can't work. Those bastards all leak."

The book raises questions, however, about whether Mr. Casey or his lieutenants were active "leakers" themselves.

The book also raises questions about the adequacy of congressional oversight of the CIA, most dramatically with its description of Mr. Casey circumventing Congress and his own agency and using the Saudi intelligence service to attempt the assassination of a Lebanese Shiite leader.

Its assertions about the Central Intelligence Agency electronically "bugging" leaders of friendly governments, such as President Hosni Mubarak of Egypt, provoked concern that Mr. Woodward, an assistant managing editor at The Post, compromised U.S. national security.

The former CIA directors, Stansfield Turner, William E. Colby and Richard Helms, said last week in separate interviews that they did not find Mr. Casey's reported decision to see Mr. Woodward repeatedly as something unusual, particularly once Mr. Casey knew the reporter was writing a history of his leadership of the agency.

"I don't find it extraordinary at all," said Mr. Turner, CIA director from 1977 to 1981. "He wanted to put his best foot forward, and it was better a guy like Woodward understood him."

Mr. Turner called it "a case of the biggest con man in the country taking on the best reporter, and I think the con man won."

He said of Mr. Woodward, "Bob very faithfully reprints Casey's views on these matters, and I think that's what Casey wanted."

Mr. Turner did find it "very improper" that Mr. Casey saw Mr. Woodward as often as Mr. Woodward says he did, given Mr. Casey's concern about leaks.

Mr. Helms, CIA director from 1966 to 1973, noted that he had had lunch often with reporters, usually at the old Occidental restaurant on Pennsylvania Avenue next to the Willard Hotel. "It became a joke around town," he said.

"It was a perfectly open and aboveboard relationship," he said.

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Bush Apologizes for a Joke About Detroit

BRUSSELS — Vice President George Bush has apologized for an offhand comment — he says he intended it as a joke — suggesting that Detroit auto workers could use quality-control advice from Soviet mechanics.

Mr. Bush made the apology as he met reporters before returning to Washington after ending his 10-day European tour.

He made the remark on Friday after a meeting of ambassadors of the North Atlantic Treaty Organization in Brussels. After saying that he had been

informed of a Soviet military operation involving 350 tanks and that none of them had broken down, he added: "Hey, when the mechanics who keep those tanks running run out of work in the Soviet Union, send them to Detroit because we could use that kind of ability."

Owen Bieber, president of the United Auto Workers union, called the remark an "absolute affront to American workers and American ingenuity" and called on Mr. Bush to apologize.

Mr. Bush reacted immediately. "If I offended anybody, I'm very, very sorry because I didn't intend to," he said.

Salinas Is Chosen by Ruling Party In Mexico to Run for Presidency

MEXICO CITY — Carlos Salinas de Gortari, Mexico's budget director and the chief architect of the country's economic reform program, was proclaimed the ruling party's candidate in the 1988 presidential elections here Sunday.

The nomination by party leaders, tantamount to election, was announced at a morning press conference by Jorge de la Vega Dominguez, president of the Institutional Revolutionary Party.

"You will be the next president of Mexico," Mr. de la Vega said as he presented Mr. Salinas, 39, to a rally outside party headquarters two hours later.

Mr. Salinas will step down from his cabinet post as Secretary of Planning and Federal Budget to be nominated by acclamation at the party convention later this month. The presidential election is to be held July 6, 1988, for a single, six-year term beginning in December.

In its 58 years, the party has never lost a national election.

"Filled with emotion, I accept the party's decision," Mr. Salinas said at the rally, in a speech lauding the egalitarian ideals of the Mexican Revolution and the governance of President Miguel de la Madrid, his political benefactor.

To heal the wounds of a bitterly fought prenomination campaign, Mr. Salinas praised by name each

of the five other cabinet ministers who had sought to be the party's standardbearer.

"Our world is changing with great rapidity," Mr. Salinas said, pleading the case of economic and political "modernization."

Mr. Salinas "will put together a good government based on democracy, social justice, and on revolutionary continuity in the process of national renewal," Mr. de la Vega said.

The party's decision appeared uncertain until the moment of the announcement. From early dawn well-wishers had gathered at the house of another presidential aspirant, Attorney General Sergio Garcia Ramirez, to congratulate him for what had been erroneously announced in some local media as his designation.

Mysteriously, one of Mr. Salinas's strongest rivals, Energy Secretary Alfredo del Mazo Gonzalez, was quoted on the radio as expressing support for the party's "magnificent choice" of Mr. Garcia Ramirez. Members of Mr. Salinas's political team saw the Garcia Ramirez boomlet as a last-minute attempt to derail the budget secretary's candidacy.

Mr. Salinas is a Harvard-educated economist respected for his intellect, his commitment to economic reform and his skills as a political infighter. Until recently, he was

perceived to be relatively unpopular among party regulars.

But on Sunday, in an impressive demonstration of the party's fabled ability to rally rank-and-file support for the leadership's choice, some 50,000 union and peasant party members enthusiastically chanted Mr. Salinas's praises at the rally outside party headquarters.

Mr. Salinas often is somewhat somber in public, in contrast to the easy self-assurance and wit that he displays in private. But on Sunday he was beaming and waving to supporters from the moment he boarded the bus that took him from his southern Mexico City home to the party office.

U.S. Records Sharp Rise In Near-Collisions in Air

PHILADELPHIA — Pilots reported 40 percent more near-collisions in midair this summer than during the same period last year, and 1987 could become one of the worst years for such incidents in more than a decade. The Philadelphia Inquirer said Sunday.

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Advertisement for La Metairie Clinic, a psychiatric and alcohol treatment facility in Geneva, Switzerland. The ad includes a list of services offered, contact information, and a coupon for more information.

INTERNATIONAL **Herald Tribune**

With All Due Respect

A newspaper sets out on its 101st year. The news never stops. Where is it going, all this news that never stops? We don't have a clue, of course. But we do have an idea. The stock market was "as quiet as Russian politics," our inaugural edition reported from London, without being able to add that the October Revolution was still 30 years off. A Parisian advertisement for "a splendid mansion newly built" boasted in that first issue that the house was "lighted throughout with electric lamps." It was 40 years before Lindbergh, 58 years before Hiroshima, 82 years before Neil Armstrong's moon land. What could they know of the future, those editors, in October 1887? "Five hundred convicts," says the *Figaro*, have just sailed from Toulon on the *Orne*, bound for Cayenne." In 1987, Europe uses French Guiana for space shots. If we really can't know, then no hope is absurd. What will you have? A golden age for Africa, say. Food and water aplenty for a stabilized world population, certain-

ly. A new chivalry that abominates the anti-civilian weaponry of the 1980s... Some things we do know. The world will keep getting smaller. The century to come has to be a global lesson in respect. A good newspaper, and singularly a global one, is a vivid circle of respect: journalists respecting the news and their readers, readers respecting and reacting to the paper. Looking out the window, IHT personnel in Paris see the autumn sky and know that it isn't fall at all in São Paulo or Sydney. This issue, the first of our new century, will be read there, and in Tokyo and Prague and Chicago. We're an American newspaper edited in France for all the world whatever its seasons. That is no easy thing. And a good paper is smart, accurate, fair, quick, skeptical, generous, compact, complete, fun and very serious. It all takes the linked determination of hundreds of men and women in Paris and around the world. The centennial parties are over and the good journey continues. INTERNATIONAL HERALD TRIBUNE.

Sanctions Cut Both Ways

A requirement for review written into anti-apartheid legislation enacted last year is putting the question of sanctions against South Africa back on the American political agenda. It is a debate for which there is no serious need. There is scant agreement on whether the sanctions voted last year (or a presidential veto) were wise. The Reagan administration feels they have not worked and will not, and some part of the Congress feels they have not worked and will — if they are strengthened. Many others who detest apartheid are agnostic. A year's experience has shown sanctions cut both ways: They push the ruling white minority toward reform, but they also stiffen its resistance. Before considering new sanctions, more time and evidence are needed to calculate the net effect of old ones. There is genuine uncertainty about which external actions promote and which retard internal change. Still, South Africa clearly is not only a society being torn apart daily by apartheid but one being touched increasingly by impulses toward reform. Whether these will produce a sustained wave is the

great question. It is evident that the various sources of change inside and outside South Africa are making a mark. Look at the items listed by Secretary of State Shultz in a speech Sept. 29: the new In-daba constitutional proposals negotiated by all racial groups, the meetings of Afrikaners and the African National Congress, negotiations across racial lines by black trade unions and other groups. Mr. Shultz reaffirmed the administration view that the primary sources of change in South Africa were internal and that U.S. influence was necessarily limited. He took the occasion to present a democratic vision of South Africa's future and to summarize the contribution the United States intends to keep making by its openness to all peaceful groups, by its aid to black projects and by its favoring of private business enterprise. Some critics view the administration approach as a cop-out, or worse. We disagree. The administration's effort to keep the policy, and the policy debate, within consensual bounds makes sense. — THE WASHINGTON POST.

Amends Are Overdue

Through two world wars in which the United States and Germany were adversaries, anti-German feelings ran clear through society. In World War I, hamburger was renamed Salisbury steak and sauerkraut was called Liberty cabbage. In World War II, Spike Jones and his hard raggedy quartet in *Der Fuehrer's Face* or the radio. But the government never came close to locking up German-Americans as security risks. Yet in the fury that followed Japan's attack on Pearl Harbor, the government rounded up 120,000 men, women and children of Japanese descent who lived on the West Coast and confined them as security risks. Most were American citizens, all were entitled to think that the Constitution and laws of the United States would protect them from such an abrogation of basic rights. The internment decision was not taken lightly. It sparked fierce debate and some unlikely positions. Earl Warren, then California's attorney general and later chief justice of the Supreme Court, favored it. J. Edgar Hoover, the FBI director, was opposed. Nevertheless, the decision was taken. Now, 45 years later, Congress is moving to erase the shame and make amends for that wartime internment. Legislation providing for a formal apology, payments to victims and an education fund to preserve the lessons was passed in the House earlier this month. Senate action is expected to pass the Senate by the end of the year. But there is resistance within the administration and it is unclear whether President Reagan will sign the bill. Not to do so would mean a general re-opening. Representative Robert Matsui of California, one of the bill's chief sponsors, was

months old when his family was interned. He tells a story like that of many other internees. The government gave them 48 hours to pack and leave. His father was forced to sell their house in Sacramento for \$50 and simply abandon his small produce business. Another sponsor, Representative Norman Mineta of California, vividly recalls a train ride, under armed guard, to a camp in Wyoming. He was 10 years old at the time; his family spent a year in the camp and was not allowed to return to California until the war ended in 1945. Government documents and newspaper accounts leave no doubt. Racism and xenophobia were largely responsible for the decision to undertake internment and the Supreme Court's willingness to exonerate it. The legislation passed by the House would give \$20,000 to each of the 66,000 internees still living. About \$50 million would fund education and research on the internment, to keep it alive in the nation's memory and prevent a repetition. The administration objects that the nation already has made amends for the internment with a 1948 law that paid out \$37 million to settle 26,000 damage claims and with statements by President Gerald Ford that the internment was a mistake. It is a pinched and grudging position. "Mistake" does not begin to describe the wrong. It demands not a whispered admission of error, but a full-throated apology. Representative Barney Frank of Massachusetts, who penned the bill out of the committee where it had languished since 1984, offers the right reason: "I think as a country, we need this bill more than the victims." — THE NEW YORK TIMES.

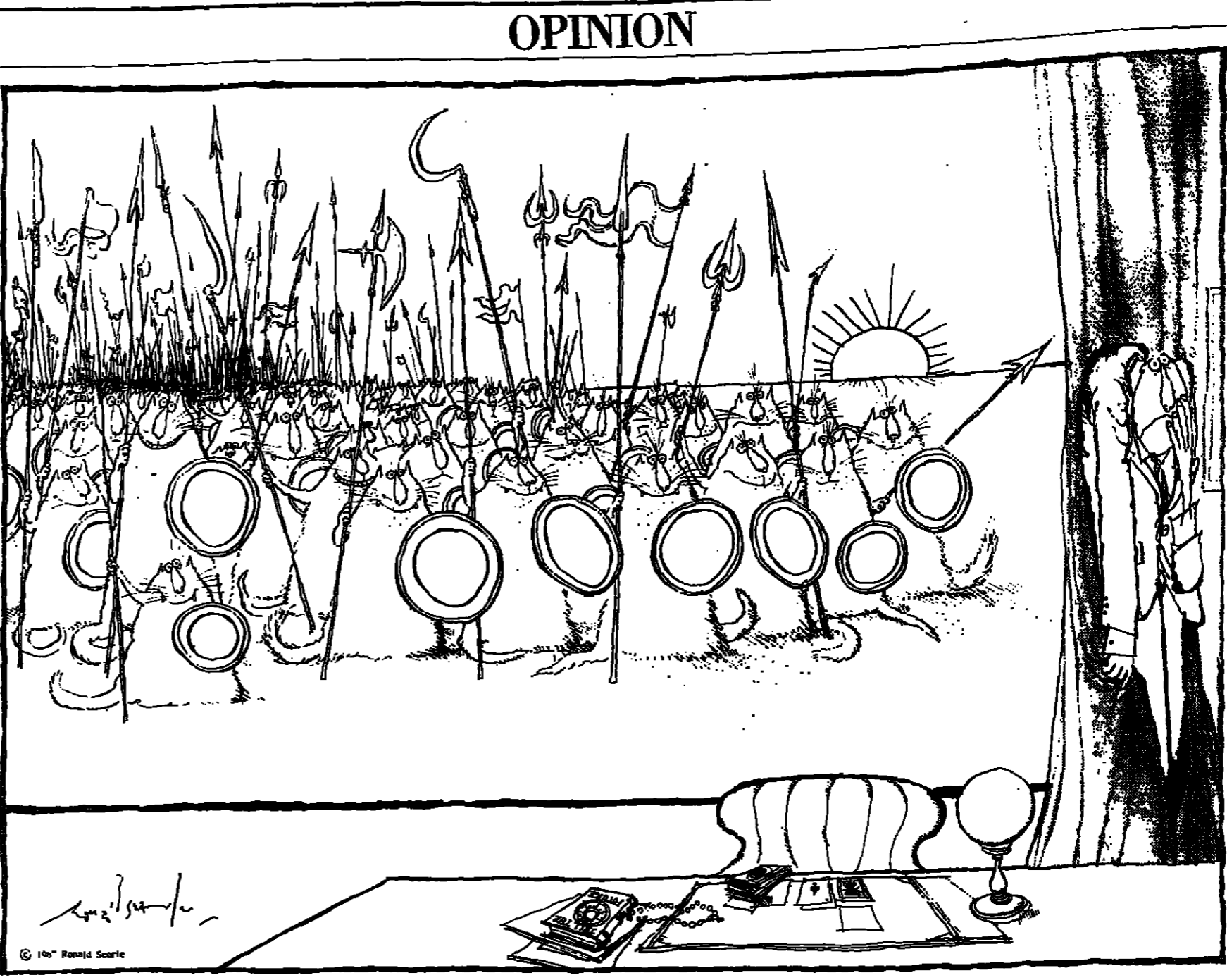
Other Comment

Labor in a Changing Britain
Eight years of Thatcherism have changed the face of British society, and the Labor Party is going to have to take this into account. The party's leader, Neil Kinnock, began his early congress in Brighton to make a pronounced turn toward the center to try to bring back to the fold those traditional Labor voters who have grown more cautious in the past few years, have changed parties. Justly tiring of prosperity, they have begun to buy their own homes, to vacation abroad and are the happy owners of, say, a car, a video cassette recorder and a smart portfolio of stocks in recently privatized companies. Neil Kinnock knows that if he wants one day to walk through that door on Downing Street, he must appeal to the "have's" without abandoning those whom the Thatcher revolution has passed by. — *Paris Match* (Huey), *L'Espresso* (Paris).

The Labor Party is still struggling in the slough of its greatest electoral liability, its policy on defense. British voters have already shown what they think of that policy, and their instinct is sound. National independence is at the heart of Conservative policy, and Mrs. Thatcher's understanding of this echoes the deepest feelings of the people. — *The Sunday Telegraph* (London).

Keeping the Banks Afloat
More than 200 banks are expected to fail this year, the most since the Depression. The latest victim was a large Houston-based bank that the government rescued to the tune of nearly \$1 billion. Critics say bailing out large banks encourages continued imprudent risk-taking. But as long as the government is insurer, it makes sense for it to cut its losses by keeping a big bank operating. — *The Chicago Tribune*.

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The century past is tough to beat for surprises. What next? To an impossible question, artist Ronald Searle's fanciful answer: This cohort of crusading cats.

East-West: Reagan Deserves Credit for Getting Down to Business

BOSTON — President Reagan's decision to go for an arms agreement and an early summit meeting with Mikhail Gorbachev has left some of his faithful flock disgruntled. Conservative Republican senators say they will try to block the arms treaty. Rightist commentators write gloomily about the menace of détente. In those reactions there is a sense of having been betrayed. And the objectors have a point. After all, Ronald Reagan is the same man who denounced détente at his first White House press conference in 1981, who said Soviet leaders "reserve unto themselves the right to commit any crime, to lie, to cheat..."

By Anthony Lewis
He agreed, in sum, to remove 1,435 warheads from the Soviet army while the United States gave up 348. He was also so agreeable to on-site inspections that the United States pulled back from its demands, fearing too many Russian inspectors on its soil. To say no to all that would have been rather embarrassing. Mr. Kissinger said grumpily that there was a lesson in this business: "Be thoughtful about what you propose. The other side may accept it."

Second, there was the Iran-contra affair. If its image of folly was to be changed in any significant degree before Mr. Reagan's presidency ended, the only real possibility was a productive meeting with Mr. Gorbachev. To take Senate approval of an INF

agreement for granted would be unwise. There are many traps ahead, among them Senator Bob Dole's felt need to play to the far right in his quest for the Republican nomination. The dangers are the more acute because this tired, befuddled administration has no evident candidate for the tough job of handling the proposed treaty in the Senate. Secretary of State George Shultz probably will have to take charge himself — and that will not be easy. But Mr. Reagan deserves credit. He has proved more flexible — more sensible — than many of his supporters. He has taken at least this much of the chance to deal with the Soviet Union at an opportune moment in history. *The New York Times*.

South Africa: The Best Hope Is Economic Expansion

CAPETOWN — A year ago the European Community, the Commonwealth countries and the United States introduced economic sanctions against South Africa. The effects of these sanctions are under review. The Reagan administration, which tried unsuccessfully to veto the anti-apartheid act approved by Congress a year ago, believes that sanctions have been misguided and is unlikely to recommend new penalties. The experience of the past year bears out this belief. The most compelling evidence was the election in May for South Africa's white assembly. The election produced a distinct swing to the right, following a campaign that played heavily on the security concerns of the white minority. Mr. Botha has since reinitiated the state of emergency, renewing and ex-

By Helen Suzman
The writer of the article from which this is excerpted is a member of Parliament in South Africa and spokeswoman for the anti-apartheid Progressive Federal Party.

tending the powers of detention without trial. Meanwhile, the army and police remain in force in the strife-torn black and "colored" townships, press censorship has been tightened and reform measures have been put on the back burner. So much for the political value of economic sanctions. What of their economic effects? Here, sanctions have been effective. The question is whether they have been at all useful. The loss of export markets, such as the North American and Scandinavian markets for fruit, will seriously jeopardize the labor market in the western Cape where the decidu-

ous-fruit growers employ nearly a quarter of a million workers, all of whom are black or "colored." It is estimated that two million people are unemployed, mostly black workers, and that by the year 2000 the number will have risen to nearly eight million, without sanctions, and to almost 10 million with sanctions. And this is a nation without much of a social security safety net. Whatever harm is done to South Africa's economy will certainly harm the economies of its neighbors, for southern Africa is one economic unit. One wonders, then, why leaders of the black states are so vociferous in supporting sanctions, and why, since South African blacks are least able to sustain the mass increase in joblessness, their leaders also advocate sanctions and other punitive measures. The answer to the first question is that the front-line states, while continuing to trade briskly with South Africa, see international pressure as the only way to bring down the Pretoria regime. They do not rely on the West to make good any economic losses resulting from sanctions. The answer to the second is usually "that South African blacks are suffering so much already that any additional suffering caused by sanctions will make little difference to their lives."

United Nations: Something's Cooking

NEW YORK — A day of poking around produces the quiet but satisfying discovery that "the United Nations" is, if not making progress in ending the Iran-Iraq war, then putting the effort to end the Soviet-American use. I say "the United Nations" because although its working chamber — the Security Council — has no formal existence and mandate outside the will of its members, there nonetheless is an unmistakable chemical entity that consists of those members, the secretary and the atmosphere that emanates from the always stunning glass tower and from the enduring sensible part of the United Nations idea. By the latter I mean not that countries will bring sovereign national interests to heel for the sake of an abstract idea of international unity, but simply that they will see if those interests can be fairly served by using the forums and ways of the world body. Ronald Reagan and Mikhail Gor-

By Stephen S. Rosenfeld
bachev have not abandoned skirmishing for political and strategic advantage in the Gulf region, but the deeper current is their quest for the benefits of working together. Mr. Reagan in effect is trading in the old Western monopoly in the Gulf — a position that was slipping badly anyway — for a joint reach for regional stability. Mr. Gorbachev is accepting the uses of American power (he doesn't ask for the withdrawal of the U.S. Navy until there is a cease-fire) in order to head off the specter of a victorious rampant Islamic Iran. In the code of the Soviet foreign minister, "It is extremely important to preserve unity in the Security Council." Why? To make sure that Iran and Iraq, especially Iran, accept the council's July 20 resolution calling for a cease-fire and settlement. The one-country-one-vote General Assembly is anarchy. But the UN Charter endows the select council, and especially its five veto-wielding permanent members, with extensive powers. It is these that the Russians now seek to apply. The United States agrees. Vernon Walters is trying to pin the Kremlin down to an arms embargo against Iran if Iran continues to dance around the July 20 resolution. To keep the Soviets in harness, he agreed to risk letting a vote on an embargo slip for a few days. They wanted to give the secretary-general time for a bit more diplomatic exploring. We should see soon whether it is worth the wait. Meanwhile, evidence of Soviet-American cooperation accumulates. Secretary-General Javier Pérez de Cuellar had discovered that where Iraq wanted the July 20 resolution put into effect sequentially (a cease-fire is the first item, a commission to inquire into the origin of the war is the sixth), Iran wanted to make

an undeclared cease-fire and the commission's establishment simultaneous first steps. On Sept. 25, he went back to the council and asked for further instructions. The council told him to nail down a formal cease-fire. The two powers are looking hard at that commission. The original idea was to satisfy Iran's bitter and justified complaint that, as Iran's president told the General Assembly, when Iraq invaded in 1980 the council "did neither mention any aggression or occupation nor make a request for returning to international borders but, astonishingly enough, called on both parties not to resort to force any further."

The Americans and, one can infer, the Soviets see the difficulties of setting up an inquiry from which Iran and Iraq demand diametrically opposed results. But at a minimum the exercise would allow Iran the political and psychological satisfactions of airing a profoundly felt grievance. The Iran sees identification of the aggression as a quick, first political act and determination of the consequences as a second, slower judicial process may indicate its priorities. All this does not mean it is now a sure thing that Iran will accept the council's diplomatic demands or buckle under to a later arms embargo. The prudent expectation is that Iran will twist and maneuver and fight on through at least one more big fall ground offensive. It does mean that Moscow has been ready to work publicly with Washington, to forgo a gaping opportunity for scoring points with Iran and to prevent Iran from playing the two great powers off against each other. Mr. Reagan has done his part. The United Nations is stage and producer of this rare experiment in regional cooperation, whose implications extend beyond whatever immediate results it may bring in the Gulf. *The Washington Post*.

LETTER

Centigrade to Fahrenheit

I am anxious to find out the way to figure the temperature from Centigrade to Fahrenheit and vice versa. In other words, I want to know, whenever I see the temperature designated on Centigrade thermometer, how to find out what it would be on Fahrenheit's thermometer.

OLD PHILADELPHIA LADY, Paris.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of uncollected manuscripts.

100, 75 AND 50 YEARS AGO

1887: Wilhelm's Legions

NEW YORK — The illegal enlistment of Germans for Emperor Wilhelm's legions going on in this country is made very evident by an interview in the *Herald* with the German consul here, Herr Feigl. Herr Feigl tries to ridicule the idea that voluntary physical examinations held at the consulate have anything to do with enlistment. Still he hints that it might be awkward for German-Americans visiting their native hearth if they didn't attend these voluntary examinations; and that a neglect to do so would be liable to make things uncomfortable for their relatives in the old country. There may be diplomatic trouble over this.

1912: British Sub Sinks

LONDON — The British submarine B2 was sunk in the English Channel near Dover [on Oct. 4], and one officer and the crew of four were drowned. The only life saved was that

1937: Big Oil on Trial

MADISON, Wisconsin — Twenty-two major oil companies and nearly fifty of their executives went on trial today [Oct. 4] in one of the Federal government's largest prosecutions under the Sherman anti-trust act. The defendants are accused of conspiring to set gasoline prices in Mid-Western states. Their defense may include that contention that the basis of their indictments is practices which the government itself promoted under the National Recovery Administration.

1937: Big Oil on Trial

of the second officer. The accident occurred while the B2 was taking part in the naval exercise of the destroyer and submarine flotillas attached to the Home Fleet. The B2 was run down by the Hamburg-American liner *America*. The B2, which was steaming with the usual lights showing, was struck just before the coming-toward and out in two Lifebelts were thrown from the liner and boats were lowered, but the submarine had sunk.

EUROBONDS

Dollar, Fixed-Rate Market Go Their Separate Ways

By CARL GEWIRTZ
International Herald Tribune

PARIS — The usually happy tandem of a strong dollar fueling a buoyant bond market was broken last week. Bond prices fell while the currency held steady. A rally in the New York bond market late Friday did seem to restore the normal relationship, but a number of analysts believe that the break early in the week was a signal that the two markets increasingly will move in opposite directions.

The way these analysts see it, the more stable the dollar is, the more volatile interest rates will be. There is now little doubt that governments are determined to stabilize exchange rates within the bands established last February at a meeting in Paris. That commitment was reaffirmed last week by finance ministers and central bankers at the annual meeting of the International Monetary Fund.

'If you fix exchange rates, interest rates will be volatile,' one bank said.

This official commitment to stability is designed to give the United States the time it needs to begin showing an improvement in its huge trade deficit. Initially, a weaker dollar has a perverse effect on the trade balance — import costs rise faster than the level of U.S. exports spurred by devaluation.

Government officials are confident that over time the U.S. deficit will narrow. The problem is that market operators are not convinced.

Although there is a wide consensus that some improvement is on the way, there is considerable divergence about whether it will be enough or whether the dollar really needs to drop more. Since further official devaluation is currently out of the question, the doubters conclude that the only way exchange rates can be held stable is if dollar interest rates rise.

Official manipulation of exchange rates to produce artificial stability creates distortions," said the treasurer of one major bank. "It channels market forces away from the foreign exchange market." The result, he said, is more volatility in interest rates, with rates rising as confidence ebbs and falling as confidence rises.

THIS VIEW was also expressed by Credit Suisse First Boston in its weekly comment on the credit market: "If you want to fix exchange rates, then shocks will have to be absorbed by greater volatility in interest rate differentials. In the long-run, fixed exchange rates are only stable if inflation and interest rates in all countries converge around a similar level."

The CSFB comment closed with a question that highlights the dilemma investors now face with a question that highlights the continuing gloom in the international bond market. "Does that mean that German and Japanese inflation rates [and bond yields] have to rise toward U.S. and U.K. levels, or does it mean that U.S. and U.K. inflation rates [and bond yields] have to fall toward German and Japanese levels?"

Unable to answer that question, investors continue to shun the Eurobond market. The only issue considered attractive was from Industrial Bank of Japan.

The 100 million Deutsche mark issue was managed by IBI. The first time a Japanese bank has been permitted to play such a role. The Bundesbank lifted its restriction on Japanese leading new issues after German banks were granted a similar privilege in the Tokyo market.

IBI's five-year notes were offered at par bearing a coupon of 5 1/2 percent. This was slightly below yields available in the domestic market, but the 1 1/4-point selling concession offered to institutional investors put the effective yield at 17 basis points over domestic rates.

Also well-received were the equity-linked issues. Nomura was lead manager of a 50 million DM bond convertible into common stock of Sodek, a Japanese machinery company. Carrying an indicated coupon of 1 1/4 to 1 1/2 percent and an expected conversion price of 5 percent over the prevailing stock price, the bonds ended the week at a 2 percent premium.

Leykam Muzler, an Austrian paper company, had a runaway success with its 100 million DM equity-warrant issue. Offered at 125, or 1,250 DM for each note nominally valued at 1,000 DM, the price at the end of the week was 144. The seven-year notes carry an annual coupon of 6 1/2 percent and each 1,000 DM bond has 28 warrants to buy shares at a premium of 19.7 percent.

Overall, the equity-linked market remained overwhelmed by the flood of issues from Japanese companies that continue to tap the market despite the notable cooling of investor interest.

Canon Inc., unable to decide which investment banker to choose, put two issues into the market simultaneously. A five-year, \$300-million issue led by Yamachi is expected to carry a coupon of 3 1/2 percent while a \$200-million issue of six-year paper led by Nomura is expected with a coupon of 3 3/4 percent. Both issues were quoted below the offering price.

The five-year notes were off 1 1/2 points, still within the 2 1/4 See BONDS, Page 9

As the Drinking Slows, World Liquor Firms Unite

New York Times Service

NEW YORK — Faced with declining worldwide consumption, the international liquor industry is turning to consolidation as a way to prop up sagging sales. Analysts say that by the end of the decade the industry, traditionally the domain of small, independent operators, will consist of a handful of conglomerates.

The decline in consumption, estimated to be at least 2 percent a year, has propelled the industry into a flurry of takeovers and mergers intended to give liquor companies complete control of their products, from the distillery to the shelf.

The deals can take many shapes. In some cases the distiller of one brand might buy another, or move closer to the consumer and acquire a distributor that has profitable market penetration.

Britain's Guinness PLC, for example, entered into a marketing agreement in June with Moët Hennessy, a French company that in 1980 had acquired its own distributor, Schieffelin & Co. Then last month Guinness purchased its U.S. importer, Schenley Industries Inc. Guinness has also entered into a joint operating agreement with the Bacardi group in Spain.

Guinness's chief executive, Anthony Tennant, had a similar strategy when he was head of Grand Metropolitan PLC's subsidiary, International Distillers & Vintners. In 1980 Grand Metropolitan acquired Liggett Group Inc., the U.S. distributor of Grand Metropolitan's J&B Scotch.

Then last January, Grand Metropolitan acquired Heublein Inc., the U.S. marketer of almost 100 brands of spirits, wines and beers, including Grand Mer's Black Velvet whisky. And in July it forged an international drinks distribution network with Martell & Co., the French cognac maker.

The motives for these deals vary. In many cases the company being acquired not only can add to the balance sheet, but also can provide funds for promoting slower sellers. Beyond that, however, there is the question of trying to grab a bigger piece of a smaller pie.

"If you don't go out there, the



A Bacardi plant in Puerto Rico. Bacardi has been especially courted in recent years.

best distributor will belong to a competitor," said Fiona Mathieson, an industry analyst with Wood Mackenzie.

"By controlling brand and product rights through the point of sale, your own management

Analysts say that by the end of the decade the industry, traditionally the domain of small operators, will consist of a handful of conglomerates.

liquor industry completes its consolidation.

"U.S. companies have had such a big market for so many years," said Michelle Proust, an analyst at Wood Mackenzie, "that they haven't had to look abroad. The U.K. market is relatively small, with companies forced to look abroad earlier than U.S. companies."

The Bacardi group, a loosely bound conglomerate of 13 distillers and distributors, and the producer of the world's best-selling liquor, Bacardi rum, has been especially courted in recent years.

The group, which is still largely

owned by descendants of the Bacardi family, has always resisted joint ventures, but there are signs, such as the agreement with Guinness, that Bacardi is finally looking for a partner.

"Bacardi, like everyone else, is under pressure to enter distribution agreements," Ms. Proust said.

Nonetheless, the group recently rebuffed overtures by Allied-Lyons PLC, one of Britain's largest pub owners and brewers, and the owner of Hiram Walker Resources, the North American spirits giant. At the time of Hiram Walker's sale to Allied-Lyons last year, Hiram Walker owned 13 percent of the Bacardi group. Bacardi bought back the stake last month.

In the current environment, Ms. Mathieson said, Bacardi's multinational licensing, bottling and distribution network puts the company in an extremely favorable bargaining position. Analysts say that a major deal with the Bacardi group would effectively close the door on any significant entries into the international spirits industry.

"It leaves very few who haven't tied up with someone else," Ms. Mathieson said.

Sudan to Devalue Pound, Get \$4.8 Billion Credit

Compiled by Our Staff From Dispatches

KHARTOUM, Sudan — Sudan has reached a \$4.8 billion loan agreement with international institutions that calls for a sharp currency devaluation and price increases on some commodities, the national news agency SUNA said Sunday.

SUNA, expanding on a government announcement late Saturday, said the Sudanese pound would drop to 4.5 pounds to the U.S. dollar from the official rate of 2.5 pounds. A dollar brings almost 9 Sudanese pounds on the black market in Khartoum.

The new exchange rate was to abolish a previous two-level system that included an official rate and one for tourists.

The agreement was signed with the World Bank and the International Monetary Fund in the United States.

In a televised news conference Saturday night, Finance Minister Bashir Omer said that Sudan had agreed to price hikes of 26 percent on gasoline and 66.6 percent on sugar. Sudan imports both.

Mr. Omer said customs duty on imported cement would rise 33 percent but prices of essentials like

bread, medicines, diesel fuel, oils and kerosene would remain relatively stable under government subsidies.

Egypt's Middle East News Agency reported that 25 people were injured Sunday in Khartoum in clashes between police and rock-throwing students who demonstrated against the price increases, the government and the IMF.

The minister said the money supply would be controlled at a growth rate of 23 percent. He said a new system would be introduced into banking to protect capital against inflation but gave few details.

Mr. Omer said in return for the devaluation of the pound and the price hikes, Sudan would get \$4.845 billion credit over four years to help underwrite a balance of payments deficit of \$750 million and for economic development.

Mr. Omer said the agreement also will help Sudan to clear \$500 million in overdue debt servicing payments to the IMF on its \$10.6 billion foreign debt.

The accord, signed Sept. 26, was kept secret pending agreement by the major parties of a new coalition government under Prime Minister Sadek el-Mahdi. (UPI, Reuters)

Seoul Says U.S. Is Too Slow on Trade

By Fred Hiatt
Washington Post Service

SEOUL — U.S. pressure on South Korea to open its markets to imports has chiefly benefited Japan, according to Korean officials.

South Korea lifted import restrictions on 24 items at U.S. insistence during the first half of 1987, but Japan captured 57 percent of the resulting new business, officials said.

U.S. companies' share was only 18 percent, the Ministry of Trade and Industry said in a report. "The American companies simply did not move fast enough," it said.

American businessmen and economists in Seoul acknowledged some truth in the Korean claims, which appeared aimed at blunting further U.S. pressure.

But they said the primary reason that U.S. companies have trouble selling in Korea remains South Korean import barriers, not Japanese competition or lack of U.S. competitiveness.

"In general, American companies have done as well as can be expected," said James W. Booth, executive vice president of the American Chamber of Commerce in Korea.

The South Koreans, he said, are "blowing smoke in one direction while reaching around with the other hand and cutting off imports."

South Korea recorded a \$7.4 billion trade surplus with the United States last year and the imbalance is expected to grow this year. The United States buys around 40 percent of Korea's exports. In contrast, South Korean trade with Japan was \$5.4 billion in deficit in 1986.

The deficit with Japan, which provides technologies to South Korea's developing auto and computer industries, is a matter of sensitivity for South Korea. Korea was a Japanese possession from 1910 to 1945.

At the same time, the trade surplus with the United States has caused frictions in the alliance. As Washington presses for lower tariffs, revaluation of the South Korean won against the dollar and other measures to encourage im-

ports, Seoul complains that the United States does not adequately consider its delicate political and national security situation.

The 74 commodities that South Korea agreed to import more liberally this year increased imports by only \$25.4 million, which Americans here say proves their point.

South Koreans are so slow to remove import barriers, they argue, that even if U.S. companies captured the entire new market it would hardly affect the bilateral trade imbalance.

But the South Koreans respond that further liberalization does little good if Japan simply increases its lead. A similar report last year claimed that Japan had captured 59 percent of newly liberalized markets, compared with 17 percent for U.S. companies.

"There is such a problem," one U.S. Embassy official said. "A lot of the Japanese companies are next door and very ready to take advantage, while some American companies are less aggressive and export-oriented than we would hope."

"But there are also many American companies that have been very aggressive, have beaten their heads against the wall, and haven't been able to get over the barriers," he said.

Products in which Japan seized a quick advantage this year included machine tools, bearings, bulldozers, cameras and kitchen utensils, the Trade Ministry said.

U.S. businessmen and officials here said they had not had time to study the latest report. In the past,

they said, the Koreans have sometimes cited commodities for which Washington never sought liberalization.

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OPEC President Says Output Fell In September

Reuters

LAGOS — OPEC's president, Riiwanu Lukman, said Sunday that the cartel's crude oil production in September was substantially lower than in August, when the group reportedly overshot its ceiling by a wide margin.

"The figures we have do indicate a substantially lower output by OPEC in September," Mr. Lukman said in an interview.

Mr. Lukman, who is also Nigeria's oil minister, and the oil ministers of Indonesia and Venezuela were to begin on Monday a tour of six Gulf states, Saudi Arabia, Iran, Iraq, the United Arab Emirates, Qatar and Kuwait, to try to persuade them to rein in output.

Mr. Lukman did not specify the September production figures.

But asked if they were within the Organization of Petroleum Exporting Countries' self-imposed ceiling of 16.6 million barrels a day, he said, "Perhaps not."

Industry sources estimated OPEC's output in August at 19.3 million barrels a day, about 2.7 million barrels above its ceiling.

Mr. Lukman disputed those figures, saying that output was only 1 million to 1.2 million barrels above the ceiling.

Mr. Lukman and the Indonesian and Venezuelan ministers were mandated by OPEC at its full conference in Vienna last June to visit states violating the production accord.

"The whole idea is to encourage member states to return to their quotas," Mr. Lukman said.

He said the ministers would eventually tour all 13 member states.

He said the trip would also be used to prepare the ground for OPEC's next full conference, in Vienna in December, and to find ways of bringing Iraq into its accord. Iraq, which rejected a quota lower than that of Iran, its enemy, did not sign the June accord.

Soviet to Help Iran Oil Search

Agence France-Press

PARIS — Iran will soon begin exploring for oil in the southern part of the Caspian Sea with the help of the Soviet company Techno-Export, according to the official Iranian radio, monitored in Paris.

The Iranian Oil Ministry said an agreement for Techno-Export to provide equipment and technical services was reached in September, the radio said.

In August, the two countries agreed to develop economic projects and deepen relations. The Iranian news agency said the projects would include oil pipelines and a railroad linking the Soviet Union with the Gulf.

Purchasers Noted Expansion In U.S. Economy in Month

New York Times Service

NEW YORK — The U.S. industrial economy continued to expand briskly in September, the National Association of Purchasing Management said in its latest report set for release Monday.

"The economy ended the third quarter with what must be characterized as robust growth," said Robert J. Bretz, chairman of the trade group's business survey committee.

The association's overall measure of economic performance, its seasonally adjusted composite index, advanced to 60.7 percent, up from 59.9 percent in August and 58.2 percent in July. Any reading over 50 percent signals growth in the economy, and September was the fourteenth consecutive month above this level.

The composite index has averaged 56.6 percent for the first nine months of 1987, according to Mr. Bretz. "If this average were to continue for the remainder of 1987, it would be consistent with real gross national product growth of 3.8 percent," he said.

For 1987, the Reagan administration is predicting 3.2 percent growth in GNP, which measures the total output of a country's goods and services.

Signs of heightened economic activity were evident throughout the economy. New orders, for instance, rose sharply. A total of 43 percent of purchasing managers reported a gain in new orders, while 12 percent reported a decline and 45 percent noted no change from the prior month. The 31-percentage point margin between those who foresee improvement and those who see a slowdown in new orders was far above August's 23-point margin.

Of the managers queried, 43 percent said production was on the rise, 34 percentage points above the number of managers who saw it declining. That was the largest spread in more than three years.

Twenty-eight percent of those surveyed saw deliveries of raw materials slowing as vendors struggled to keep up with production versus 4 percent who saw them accelerating.

Currency Rates

Table with columns for City, Bid, Ask, and other currency rates.

Other Dollar Values

Table with columns for Currency, Bid, Ask, and other dollar values.

Last Week's Markets

All figures are as of close of trading Friday

Table with columns for Stock Indices, Money Rates, and other market data.

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01-423-1277. Prices may vary according to market conditions and other factors.

Dollar Straights

Table of Dollar Straights with columns for Issuer, Con, Mat, Price, Yld, and Cur. Includes sub-sections for Australasia, Canada, and France.

Supranational

Table of Supranational bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

Western Europe (Other)

Table of Western Europe (Other) bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

DM Zero Coupons

Table of DM Zero Coupons with columns for Issuer, Con, Mat, Price, Yld, and Cur.

DM Zero Coupons

Table of DM Zero Coupons with columns for Issuer, Con, Mat, Price, Yld, and Cur.

ECU Straights

Table of ECU Straights with columns for Issuer, Con, Mat, Price, Yld, and Cur.

Treasury Bonds

Table of Treasury Bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

Yen Straights

Table of Yen Straights with columns for Issuer, Con, Mat, Price, Yld, and Cur.

United Kingdom

Table of United Kingdom bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

United States

Table of United States bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

DM Straights

Table of DM Straights with columns for Issuer, Con, Mat, Price, Yld, and Cur.

Non-European

Table of Non-European bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

Japan

Table of Japan bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

Scandinavia

Table of Scandinavia bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

Other

Table of Other bonds with columns for Issuer, Con, Mat, Price, Yld, and Cur.

Chicago Exchange Options

Table of Chicago Exchange Options with columns for Option & Price, Calls, and Puts.

Next Monster Markets

Some combination of market media is always being prepared to generate high leveraged gains for an informed few. Since the public has been pointed the wrong way, the last case having involved getting long gold and short dollars in early 85. Next surprise will involve the boom phase of the generally neglected. Write, phone or tele for complimentary reports.

Indigo

Indigo is not a licensed broker. Arta Plaza de Mallorca 43, Torremolinos, Malaga, Spain. Telephone 34-52-389500 - Telex 784223.

Selected U.S.A./D.C. Quotations

Table of Selected U.S.A./D.C. Quotations with columns for Bid, Ask, and other market data.

Chicago Exchange Options

Table of Chicago Exchange Options with columns for Option & Price, Calls, and Puts.

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Euromarts At a Glance, Eurobond Yields, Weekly Sales, Wall Street Review, NYSE Most Actives, AMEX Most Actives, NYSE Sales, AMEX Sales, International Positions, WestLB logo and contact information.

New International Bond Issues

Compiled by Aimee Potter Hardow

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, Terms. Includes sections for Floating Rate Notes, Fixed-Coupon, and Equity-Linked.

G-7 Currency Pact Will Divert Speculation, U.S. Analyst Says

Recently in Washington the Group of Seven countries — the United States, Japan, West Germany, Britain, France, Italy and Canada — reaffirmed their determination to coordinate economic policies and stabilize exchange rates.

Speculative pressure will move into two other outlets — the bond and stock markets, where we are seeing big fluctuations.

MONDAY Q&A

Q. How will the markets react? A. In the short term, the strategy should stabilize the dollar. People feel that the dollar is not going to move out of its agreed range.

Q. Is that likely? A. Japanese investors bought nearly half the bonds auctioned by the U.S. government last year. They have an enormous appetite for U.S. Treasury bonds.

rate, the G-7 is making too much hang on too little. It is building a house of cards that could fall down.

Q. What about the proposal to monitor commodity prices? A. By dragging commodities in, Mr. Baker is effectively seeking to float the dollar against a gold-anchored commodity basket.

Q. Why then does the market appear to be taking the proposal seriously? A. The market was starved of news and wanted something fresh.

Q. What then are the longer-term prospects for the dollar? A. The G-7's latest strategy probably has a mileage of three to six months.

Q. What do you mean by that? A. By focusing exclusively on the exchange

United States. We need a real change around in our productivity and spending habits and in our lack of ability to save.

We can hold the dollar temporarily by raising interest rates. But at some point we will run out of people ready to take the exchange rate risk of buying dollars for the sake of a marginally higher yield.

Q. As a trader, don't you have an interest in currency volatility rather than the stability that Mr. Baker and his colleagues are trying to achieve?

A. Any speculative operator is generally in favor of some volatility, but not too much. When the dollar was moving by 5 to 10 percent a day two-and-a-half years ago, that was just as bad as, if not worse than, a weekly move of only half a percent.

Extreme volatility makes it more difficult and more expensive to do business because banks have to cover themselves by widening the spread between bids and offers for a currency.

Chase Manhattan Wins American Airlines \$500 Million Loan

By Carl Gewirtz

PARIS — American Airlines returned to the international credit market last week with a \$500 million multi-option facility that the company had put out for competitive bidding.

Chase Manhattan Bank won the contest, setting an annual fee on the facility of 7 1/2 basis points, or 0.75 percent. The credit line is nominally for five years but will run for eight.

If the borrower uses the line, it has three base rates to choose from: the London interbank rate plus 1/2 point, the reserve adjusted rate for certificates of deposit plus 1/2 point, or the higher of the federal funds rate plus 1/2 point or the prime rate of U.S. banks.

Whichever the rate, there is a utilization fee of 5 basis points if more than one-third of the loan is drawn and 7 1/2 basis points if more than two-thirds is used.

Fees for banks underwriting \$500 million commitments amount to five basis points.

The terms were regarded by the market as aggressive but not an

obstacle. "American is the best U.S. airline credit and there are many banks who want to do business with them, so it will get done," said one banker who had bid and lost in the race for the mandate.

American has two outstanding Euronote facilities, totaling \$500 million that are not currently being utilized.

The annual fee on the first facility, arranged in 1985, averages 10 basis points a year while the charge on the second, arranged in 1986, is "slightly more expensive" than the charge on the new facility.

In addition, if more than one-third of the credit line is drawn, there will be a utilization fee of 3/4 basis point, which rises to 6/4 basis points if more than two-thirds is used.

Centex Corp., a Dallas-based real estate developer, is asking banks for a \$150 million, five-year credit. Interest will be set at 15 basis points over Libor with a utilization fee of five basis points if more than half the amount is used.

store group. As with recent French corporate borrowing, the loan will be a combination of domestic francs and foreign currencies but open only to banks operating in France that can lend local currency.

The central bank of Turkey is in the market for an \$85 million, three-year credit. Interest is set at 1 1/4 points over Libor and front-end fees are 1 percent for banks underwriting \$5 million.

TransAustrian Gasline Finance Co. is seeking a five-year credit of 90 million Deutsche marks. Interest will be set at 12 1/2 basis points over Libor and front-end fees are 7 1/2 basis points.

The money will be used for the construction of a second pipeline carrying oil from the Soviet Union to Western Europe. TransAustrian sold to lead manager Bank of America an option to convert the loan to U.S. dollars, reducing the pipeline company's effective borrowing cost to around 40 basis points below Libor.

Cutbric Corp., a British industrial conglomerate, is in the market for a \$100 million multi-option fa-

ility. Banks are being asked to underwrite only \$50 million as a standby revolving credit. Terms were not divulged.

Pakistan, making its annual visit to the market, is seeking a \$100 million, five-year syndicated loan carrying interest at 1 point over Libor. The commitment fee on undrawn amounts is 1/4 percent.

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CANON INC.

Advice has been received from Tokyo that the Board of Directors has declared a payment of DIVIDEND of ¥500 per share for the six months period ended 30th June 1987.

Payment will be made in U.S. Dollars at the rate of exchange ruling one day after presentation.

Citicorp to Sell Part of Offices To Dai-Ichi, Boosting Capital

New York Times Service

NEW YORK — In another step toward recapitalizing itself after huge losses, Citicorp said it would sell parts of its New York headquarters complex to Dai-Ichi Mutual Life Insurance Co. of Japan.

Dai-Ichi agreed to pay \$670 million, giving Citicorp an after-tax gain of \$270 million.

Citicorp will sell a one-third interest in the Park Avenue building that it occupies, and two-thirds of its Citicorp Center as office condominiums. The buildings face each other.

On May 19, John S. Reed, Citicorp's chairman, decided to set aside \$3 billion for possible losses on Third World loans, giving the banking company a six-month loss of \$2.3 billion.

Since then, the bank has sold more than \$1 billion in new common stock, a move that, while

building Citicorp's capital base, should in theory depress the bank's earnings per share by increasing the number of shares outstanding.

However, last month, in its first step toward rebuilding earnings, Citicorp announced that it had bought an annuity to satisfy domestic pension obligations and would be booking a \$160 million after-tax gain.

In the Dai-Ichi transaction, Citicorp will also be able to book a gain because the \$670 million price for the condominiums is far above their cost.

Scheduled to be launched this week is a \$200 million facility for An Printemps SA, the French retail

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OPPORTUNITES

Messieurs les actionnaires sont convoqués à L'ASSEMBLEE GENERALE ANNUELLE des actionnaires d'OPPORTUNITES qui se tiendra au siège social le 15 octobre 1987 à 16 heures et qui délibèrera sur l'ordre du jour:

1. rapport du Conseil d'Administration; 2. rapport du Commissaire aux Comptes; 3. adoption du bilan et du compte de pertes et profits au 30 juin 1987;

4. affectation du résultat de l'exercice; 5. décharge aux administrateurs et au Commissaire aux Comptes; 6. réélection des administrateurs et du Commissaire aux Comptes;

7. divers. Les résolutions des actionnaires lors de l'assemblée générale annuelle seront votées à une majorité simple des actionnaires présents et votants.

Tout actionnaire peut voter par mandataire. Pour la société Banque Privée Edmond de Rothschild S.A. Succursale de Luxembourg 20, boulevard Emmanuel Servais 2535 LUXEMBOURG

BONDS: Dollar, Prices in Fixed-Rate Market Diverge

Continued from first finance page) percent fees paid to underwriters, at the six-year notes were at a discount of 4 points.

The extremely heavy flow of Japanese equity-warrant bonds accounted for half of the total volume of straight Eurodollar bonds in the first nine months of the year.

According to figures supplied by Salomon Brothers, a total of \$52 billion of dollar-denominated Eurobonds were issued in the first nine months. Salomon puts the total of straight Eurodollar debt at 40.8 billion. But it includes equity-warrant debt in this category, which alone totaled \$20 billion — virtually all of it from Japan.

For the third quarter, equity-warrant issues amounted to some \$6 billion, accounting for nearly one-half of the \$15.2 billion of straight Eurodollar debt marketed.

For the year so far, all categories of Eurodollar debt accounted for 1.3 percent of total Eurobond vol-

ume of \$117.2 billion. The dollar's share of the market is the smallest ever, down from 63 percent last year.

In addition, this total nine-month volume is down 18 percent from the year-ago period — the first decline since 1983.

The decline in the dollar's share of the market is both a reflection of the lack of confidence in the currency as well as the collapse of the market for floating-rate notes. So far this year, the volume of dollar FRNs has totaled \$2.9 billion compared with \$29.8 billion in the year-ago period.

Issuers seeking to borrow floating-rate dollars have reverted to issuing fixed-coupon non-dollar debt and swapping the proceeds into floating-rate dollars. This accounts for the huge increase in the issuance of debt denominated in Australian and New Zealand dollars — the most popular swap instruments.

So far this year the equivalent of \$9.5 billion of debt denominated in Australian dollars has been issued, up from the equivalent of \$4 billion in the year-ago period. This year's total for New Zealand dollar paper is equal to \$2.2 billion compared to \$707 million.

This volume gives the Australian dollar a market share of 8 percent, in fifth position behind the U.S. dollar. Also following the dollar are bonds in yen with a 14.7 percent share of the market; sterling, 10.3 percent and the Deutsche mark, 8.8 percent.

The decline in overall Eurobond volume reflects investor wariness about liquidity following the difficulties in the FRN market and, thus, a preference for buying in domestic bond markets. It also shows the slowdown in issuance activity as the major borrowers arranged precautionary financing when interest rates were still declining.

Agreement Is Reported On Coffee Export Quotas

LONDON — Coffee-producing and consuming countries agreed a principle Sunday to reintroduce export quotas, a spokesman for the consumers said. The price-support mechanism has been suspended since February 1986.

Talks under the aegis of the International Coffee Organization agreed on a method to adjust quotas in the October-December quarter, the first three months of the 1987-88 coffee year, said the spokesman, Abraham van Overbeek.

This was the last obstacle to overall agreement and allows quotas to be reintroduced, he said. The full ICO council, meeting late Sunday, was expected to approve the accord. The talks have lasted 12 days. Earlier, delegates said experts had decided how to distribute export quotas among producer countries, removing the main obstacle to a new international accord to support prices.

Delegates say the United States, the biggest consumer, has been insisting that new quotas be set mainly according to objective criteria, such as available supply and stocks. It considers initial proposals by a reducer majority were too much a result of political bargaining. Quotas lapsed in 1986 when a drought in Brazil, the biggest coffee producer, reduced its crop. But better Brazilian weather this year means that the market is again oversupplied, while earlier talks to sign quotas collapsed in March.

TRADE: U.S.-Canada Pact

(Continued from Page 1)

tion in Congress over any exemption. Reagan administration trade officials initially insisted that they could not meet Canada's demands, and it was unclear how far the United States moved on the issue to reach agreement. It was also unknown how many concessions the Mulroney government had made to U.S. demands on other trade issues, mostly related to Canada ending barriers to U.S. imports and investment and the Canadian subsidies that gave its products a competitive edge.

The United States had agreed to form a binational trade tribunal with binding powers, but unlike Canada favored giving it authority only to review decisions already made through regular channels.

Boveri Announces An Alliance With Italy's Tosi Group

Special to the Herald Tribune

ROME — BBC Brown, Boveri & Co., the Swiss engineering group that recently announced plans to merge with its Swedish competitor ASEA AB, is strengthening its position in Italy through an alliance with Franco Tosi Ingegneria SpA, a subsidiary of Italmobiliare, the Pesenti family's holding company.

In an exchange of shareholdings, the companies said last week that Tecnomasio Italiano Brown Boveri SpA would take full control of a Franco Tosi subsidiary, Ercole Marelli Nuova EMG SpA. Brown, Boveri itself will also take 30 percent stakes in both Ingegneria and its subsidiary Franco Tosi Industriale SpA, while this latter company will buy 30 percent of Tecnomasio and its main unit. The companies said financial details had not been finalized.

Tecnomasio has annual sales of 655 billion lire (\$493 million), compared with Franco Tosi's combined revenue of 500 billion lire. The ASEA group subsidiaries bring in a further 300 billion lire in Italy.

The alliance represents the first step in a restructuring of the fragmented Italian market, said Gianpiero Pesenti, vice chairman of Franco Tosi. It aims to create an integrated line of products in power generation, electrical machinery, automation and control systems.

IONS

IONS

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NASDAQ National Market

OTC Consolidated trading for week ended Friday. Oct. 2

Sales in 100s High Low Close Chge					Net				
ABW Bd	20	44	127	154	13	104	414		
ABW C	20	44	127	154	13	104	414		
ABW D	20	44	127	154	13	104	414		
ABW E	20	44	127	154	13	104	414		
ABW F	20	44	127	154	13	104	414		
ABW G	20	44	127	154	13	104	414		
ABW H	20	44	127	154	13	104	414		
ABW I	20	44	127	154	13	104	414		
ABW J	20	44	127	154	13	104	414		
ABW K	20	44	127	154	13	104	414		
ABW L	20	44	127	154	13	104	414		
ABW M	20	44	127	154	13	104	414		
ABW N	20	44	127	154	13	104	414		
ABW O	20	44	127	154	13	104	414		
ABW P	20	44	127	154	13	104	414		
ABW Q	20	44	127	154	13	104	414		
ABW R	20	44	127	154	13	104	414		
ABW S	20	44	127	154	13	104	414		
ABW T	20	44	127	154	13	104	414		
ABW U	20	44	127	154	13	104	414		
ABW V	20	44	127	154	13	104	414		
ABW W	20	44	127	154	13	104	414		
ABW X	20	44	127	154	13	104	414		
ABW Y	20	44	127	154	13	104	414		
ABW Z	20	44	127	154	13	104	414		

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ABW Bd	20	44	127	154	13	104	414		
ABW C	20	44	127	154	13	104	414		
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ABW R	20	44	127	154	13	104	414		
ABW S	20	44	127	154	13	104	414		
ABW T	20	44	127	154	13	104	414		
ABW U	20	44	127	154	13	104	414		
ABW V	20	44	127	154	13	104	414		
ABW W	20	44	127	154	13	104	414		
ABW X	20	44	127	154	13	104	414		
ABW Y	20	44	127	154	13	104	414		
ABW Z	20	44	127	154	13	104	414		

Mutual Funds

Figures as of close of trading Friday. Oct. 2

NEW YORK (AIP)				
ABW Bd	20	44	127	154
ABW C	20	44	127	154
ABW D	20	44	127	154
ABW E	20	44	127	154
ABW F	20	44	127	154
ABW G	20	44	127	154
ABW H	20	44	127	154
ABW I	20	44	127	154
ABW J	20	44	127	154
ABW K	20	44	127	154
ABW L	20	44	127	154
ABW M	20	44	127	154
ABW N	20	44	127	154
ABW O	20	44	127	154
ABW P	20	44	127	154
ABW Q	20	44	127	154
ABW R	20	44	127	154
ABW S	20	44	127	154
ABW T	20	44	127	154
ABW U	20	44	127	154
ABW V	20	44	127	154
ABW W	20	44	127	154
ABW X	20	44	127	154
ABW Y	20	44	127	154
ABW Z	20	44	127	154

American Exchange Options

Figures as of close of trading Friday. Oct. 2

Option & price		Calls		Puts	
ABW Bd	20	44	127	154	13
ABW C	20	44	127	154	13
ABW D	20	44	127	154	13
ABW E	20	44	127	154	13
ABW F	20	44	127	154	13
ABW G	20	44	127	154	13
ABW H	20	44	127	154	13
ABW I	20	44	127	154	13
ABW J	20	44	127	154	13
ABW K	20	44	127	154	13
ABW L	20	44	127	154	13
ABW M	20	44	127	154	13
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ABW O	20	44	127	154	13
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ABW Q	20	44	127	154	13
ABW R	20	44	127	154	13
ABW S	20	44	127	154	13
ABW T	20	44	127	154	13
ABW U	20	44	127	154	13
ABW V	20	44	127	154	13
ABW W	20	44	127	154	13
ABW X	20	44	127	154	13
ABW Y	20	44	127	154	13
ABW Z	20	44	127	154	13

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ABW D	20	44	127	154
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ABW J	20	44	127	154
ABW K	20	44	127	154
ABW L	20	44	127	154
ABW M	20	44	127	154
ABW N	20	44	127	154
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ABW P	20	44	127	154
ABW Q	20	44	127	154
ABW R	20	44	127	154
ABW S	20	44	127	154
ABW T	20	44	127	154
ABW U	20	44	127	154
ABW V	20	44	127	154
ABW W	20	44	127	154
ABW X	20	44	127	154
ABW Y	20	44	127	154
ABW Z	20	44	127	154

Option & price		Calls		Puts	
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ABW I	20	44	127	154	13
ABW J	20	44	127	154	13
ABW K	20	44	127	154	13
ABW L	20	44	127	154	13
ABW M	20	44	127	154	13
ABW N	20	44	127	154	13
ABW O	20	44	127	154	13
ABW P	20	44	127	154	13
ABW Q	20	44	127	154	13
ABW R	20	44	127	154	13
ABW S	20	44	127	154	13
ABW T	20	44	127	154	13
ABW U	20	44	127	154	13
ABW V	20	44	127	154	13
ABW W	20	44	127	154	13
ABW X	20	44	127	154	13
ABW Y	20	44	127	154	13
ABW Z	20	44	127	154	13

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Main table containing NASDAQ National Market data, organized into columns with headers like 'Sales in 100s', 'High', 'Low', 'Close', 'Net Chg'. Includes sub-sections for 'A', 'B', 'C', 'D', 'E', 'F', 'G', 'H', 'I', 'J', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z'.

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SPORTS

Tigers Win AL East With a 3d Straight 1-Run Defeat of Jays

Compiled by Our Staff From Dispatches DETROIT—The Detroit Tigers won the American League East title Sunday by beating the Toronto Blue Jays, 1-0, behind the six-hit pitching of Frank Tanana and Larry Herndon's home run.

SUNDAY BASEBALL

Lead over the Tigers that was 3 1/2 games on Sept. 26. The Tigers finished the season two games ahead of the Blue Jays and avoided a one-game playoff that would have been held Monday in Detroit had the Blue Jays won.

White Sox 5, Athletics 2: In Chicago, Reggie Jackson got two hits for Oakland in the final game of his 21-year career, but Ron Haseby hit a two-run homer for the White Sox.

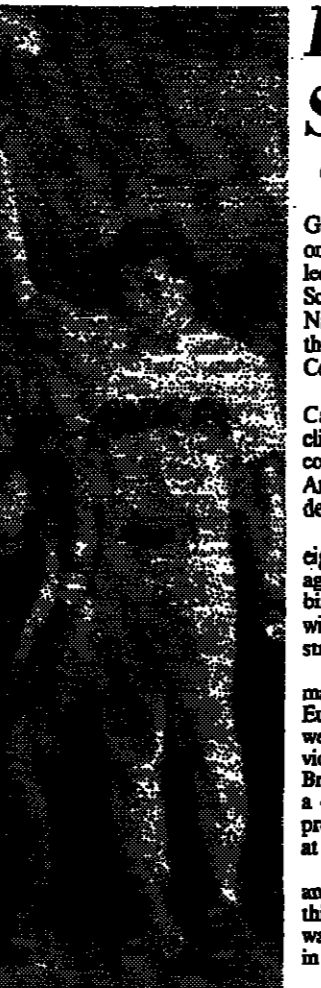
Reds 2, Astros 1: In Houston, Tom Browning pitched an eight-inning game for eight innings to beat Nolan Ryan and Cincinnati won on Terry Francona's RBI single and Terry McGriff's RBI double in the fifth.

Santiago Streak Ended, But Padres Halt Their

Compiled by Our Staff From Dispatches SAN DIEGO—Benito Santiago's 34-game hitting streak, a major-league record for rookies, was ended Saturday night but his San Diego Padres ended a nine-game losing streak with a 1-0 victory over the Los Angeles Dodgers when Stan Jefferson homered in the second inning.

SATURDAY BASEBALL

1974, McCullers, who pitched the last two innings, earned his 16th save by striking out Steve Sax with runners on second and third in the ninth, then retiring Danny Heep on a fly ball with the bases loaded.



Benito Santiago, whose hitting streak ended at 34 games.

England Wins U.K. Golf; Strange Cards Record 62

Compiled by Our Staff From Dispatches ST. ANDREWS, Scotland—Gordon J. Brand and Nick Faldo, led England to a 2-1 victory over Scotland in the final of the Dunhill Nations Cup golf tournament over the 6,933-yard (6,240-meter) Old Course here Sunday.

But both were eclipsed by U.S. Captain Curtis Strange, who clipped a shot off the 48-hour old course record with a 62 to lead the Americans to third place with a 2-1 decision over top-seeded Australia.

Opening up a 3-shot lead at the eighth hole, Faldo took command against Sandy Lyle with his fourth birdie of the day. Lyle wound up with a 69—and down by three strokes.

that kind of golf—Sandy and I were hammered."

Faldo pointed to a brilliant semi-final recovery against defending champion Australia on Saturday, when England trailed by four shots with five holes to play in two of three matches, as the impetus for Sunday's victory—England's first ever in 6-nation competition.

"I'm tickled to death, not to finish in this place but about the record," said Strange, whose 10-under-par record beat Greg Norman by eight strokes and lowered by a shot the record 63 registered Friday by Australian Roger Davis.



Ramesh Krishnan, an 8-6, 6-4, 6-4 winner over Wally Masur in Sunday's deciding match.

India Upsets Australia by 3-2, Advances to Final of Davis Cup

United Press International SYDNEY—India engineered a major upset as it defeated defending champion Australia, 3-2, in a Davis Cup semifinal here Sunday.

Ramesh Krishnan, once coached by Harry Hopman, the late Australian Davis Cup captain, ended Australia's bid to keep the silver trophy when he downed Wally Masur, 8-6, 6-4, 6-4, in an engrossing match lasting just over two hours.

A capacity crowd of 6,500 at White City Stadium stood and applauded Krishnan when Masur netted a forehand, giving India the right to challenge either Sweden or Spain in this year's final (on Sunday, with Sweden leading by 2-1, that semifinal encounter was postponed by rain until Monday).

It is only the third time in Davis Cup history that India has made the finals. It lost, 4-1, to Australia in Melbourne in 1966 and withdrew from the final against South Africa in 1974 for political reasons.

Krishnan's match became vital when Vijay Amritraj, the Indian captain, slumped badly in the first of Sunday's two singles matches. John Fitzgerald beat him, 7-5, 6-3, 6-3, in two hours minutes to square the series at 2-2.

But Amritraj was in an understandably effervescent mood at day's end. "There is no doubt Krishnan was the best of all the players in this cup, he said. "The only player that could have given him any trouble is Pat Cash, and he'd have to be playing his best tennis."

"I am so proud of the Indian team... You don't know how much this helps to bring Indians together all round the world, the fact that we beat Australia in a Davis Cup.

"It was a great team effort, believe me. I don't think in Davis Cup history such a lowly rated team such as India has beaten Australia and made the final of the Davis Cup—it's wonderful. I wouldn't trade today's win for anything I have ever done in tennis."

Amritraj said it was an apt coincidence that Krishnan's father, the

legendary Ramanathan, had vaulted India into its first cup final, in December 1966, when he came from a break down to beat Brazilian Tomaz Koch in five sets in Calcutta. "No father and son have done that," said Amritraj.

Fitzgerald's defeat of Amritraj was a second straight success for the home team after its doubles pairing of Peter Doohan and Cash, the Wimbledon champion, brushed aside Vasudevan Srinivasan and Anand Amritraj, 6-3, 6-4, 6-4, on Saturday. Cash, nursing a torn knee muscle, played only that match; he was sorely missed in the singles.

The Indians made a stunning start Friday, racing to a 2-0 lead when Krishnan outplayed Fitzgerald in the opening singles and Amritraj made beat Masur with a magnificently controlled all-court game. Amritraj's triumph stunned the Australian camp, as Captain Neale Fraser prevailed upon Cash to play in the doubles.

If Amritraj paired Srinivasan, ranked No. 214 in world doubles, and his brother Anand Amritraj (ranked 50 places lower) to give both India's singles players a rest before Sunday, the gamble almost failed.

After the captain's own defeat, Krishnan, ranked No. 28 worldwide, struggled to overcome a bout of early nervousness Sunday. But by playing his customary deceptive game, he took the first two sets after being shown 1-4 in each.

Krishnan showed a deft touch in lobbing, cutting sharply-angled volleys and playing a string of magnificent service returns that put Masur on the defensive.

Fraser was clearly disappointed. "You've got to live with the players you've got," he said. "Certainly Cash would have made a big difference to our chances, but he just might have injured that knee in the opening singles and that would have been tragic."

"The Indians played extremely well, and on the series they were the better players."

The defeat was only Fraser's 14th in 16 cup matches since he took over from Hopman in 1970. He has led Australia into at least the semifinals 12 straight years and 14 out of the last 15.

Tremplino Wins Arc de Triumph

Compiled by Our Staff From Dispatches PARIS—Tremplino came from off the pace Sunday to overtake favored Reference Point and win the \$1.1 million Arc de Triomphe, giving jockey Pat Eddy of Ireland an unprecedented third straight victory in Europe's richest horse race.

The American-bred Tremplino, owned by Paul de Moussac of France, caught the fading Reference Point down the stretch, then held off the Italian colt Tony Bin to win by two lengths. His time, 2 minutes, 26.30 seconds, broke the record for the 2.4-kilometer (1 1/2-mile) race by 1.4 seconds.

Reference Point, who had won seven of his nine races and was ridden by Steve Caughen of the United States, led for most of the race. But he fell back after being passed by Tremplino and finished eighth. Triptych, an American-bred horse trained in France, was third, by three lengths, for the second straight year, barely edging the British entry Mitoto.

Mitoto had been the only horse to beat Reference Point this year. Caughen quickly took Reference Point to the lead and had as much as a length advantage over the rest of the 11-horse field. But the favorite began to fade when Eddy and Tremplino mounted their challenge down the stretch. Reference Point had been attempting to become the first winner of the St. Leger to

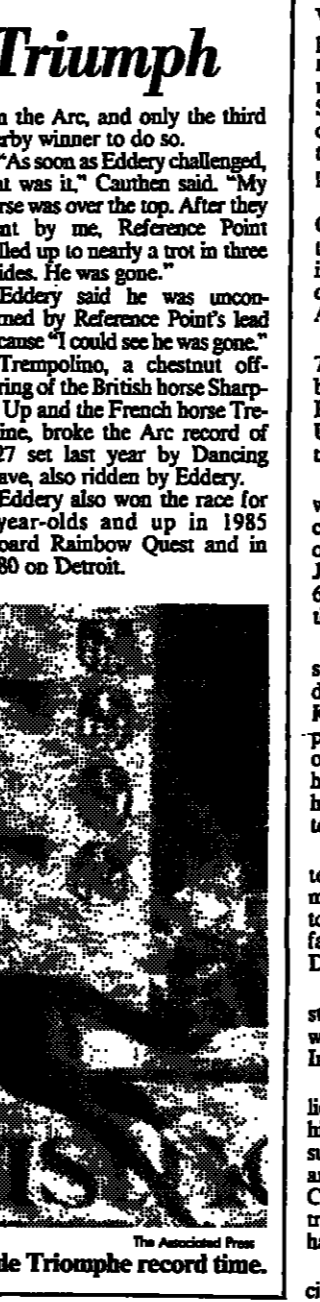
win the Arc, and only the third Derby winner to do so.

"As soon as Eddy challenged, that was it," Caughen said. "My horse was over the top. After they went by me, Reference Point pulled up to nearly a trot in three strides. He was gone."

Eddy said he was unconcerned by Reference Point's lead because "I could see he was gone."

Tremplino, a chestnut offspring of the British horse Sharpener Up and the French horse Tremphine, broke the Arc record of 2:27 set last year by Dancing Brave, also ridden by Eddy.

Eddy also won the race for 3-year-olds and up in 1985 aboard Rainbow Quest and in 1980 on Detroit.



Jockey Pat Eddy brought Tremplino to the finish in an Arc de Triomphe record time.

SCOREBOARD

Baseball

Table with columns for 'FRIDAY'S RESULTS' and 'SATURDAY'S RESULTS' listing various MLB games and scores.

Major League Standings

Table showing league standings for American League (East, West, National League) and National League (East, West) divisions.

Football

Selected U.S. College Results

Table listing results of selected U.S. college football games, including teams and scores.

CFL Standings

Table showing standings for the Canadian Football League (CFL) divisions.

Transition

BASEBALL

BOSTON—Exercised his option to renew the contract of outfielder-first baseman Dwight Evans.

BASEBALL

SEATTLE—Retired Billy Conners, pitching coach of the Seattle Mariners, has been named manager of the Seattle Mariners.

BASEBALL

MINNESOTA—Sent Pat Malachuk and Jim Archibald right wins, to Kalamazoo.

European Soccer

ENGLISH FIRST DIVISION

Table listing English First Division football results and standings.

ENGLISH FIRST DIVISION

Table listing English First Division football results and standings.

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Table listing English First Division football results and standings.

Tennis

Davis Cup

WORLD GROUP SEMIFINALS (All Sydney) India 3, Australia 2

Davis Cup

WORLD GROUP SEMIFINALS (All Sydney) India 3, Australia 2

Davis Cup

WORLD GROUP SEMIFINALS (All Sydney) India 3, Australia 2

Golf

NATIONS CUP

(At St. Andrews, Scotland) SEMIFINALS Scotland 3, United States 1

NATIONS CUP

(At St. Andrews, Scotland) SEMIFINALS Scotland 3, United States 1

NATIONS CUP

(At St. Andrews, Scotland) SEMIFINALS Scotland 3, United States 1

LANGUAGE

Falling Into Desuetude

By William Safire
WASHINGTON — As the Senate deliberated the nomination to the Supreme Court of Judge Robert H. Bork, legislators weighed the words of the solons and the nominee.
Penumbra nearly shadowed all. Because the rights of privacy interested lawmakers who hoped the courts, rather than the Congress, would handle that pesky issue, Justice William O. Douglas' opinion in Griswold vs. Connecticut was often quoted. He had written that "specific guarantees in the Bill of Rights have penumbras, formed by emanations from those guarantees that help give them life and substance."
An emanation, from the Latin for "flow," is something "emitted from a source," like a gas belching from a pool. A penumbra — from the Latin pene, "almost," and umbra, "shadow" — meant literally "almost shadow." It was first used in 1604 by the German astronomer Johannes Kepler, and a half-century later made it into English: "The Moon was not at all obscured by the true shadow, but cast only a little into the penumbra."
Astronomers used the term to describe the area of faint light, or partial shadow, that surrounds the total shadow in an eclipse. The word crossed over to general use in a figurative sense of the gray area between black-and-white issues. The British novelist Maria Edgeworth wrote in her 1801 story "Angelina" that "I will defend him . . . against every shadow, every penumbra of aristocratical insinuation." T.S. Eliot gave the hairy area more currency in drafts of his poem "The Waste Land" in the early 1920s: "Within this penumbra of consciousness. . . ."
Thus, Douglas — a good and careful writer — chose an apt word to describe what he believed to be a shadowy area, slightly illuminated by light coming from parts of the Constitution, that formed a "right of privacy." A word of similar meaning, though not a synonym, is fringe; the noun penumbra can also mean "area of obscurity" or "part shaded by doubt."
When penumbra is confused with a different noun, also formed from the Latin for "shadow," umbra, semanticists take umbrage.
Discussing the anti-contra-

Alive and Well: The Woman Picasso Sought to Annihilate

International Herald Tribune
ANTIBES, France — The opening events surrounding the Françoise Gilot exhibition at the Picasso Museum in Antibes went beyond the usual slick cast and white wine. There were official receptions, a guided visit and, the night before the vernissage, a dinner at a restaurant in the old port where she presided over a U-shaped table of local dignitaries, her New York and California dealers and some 30 Gilot collectors and admirers who had come from the United States for the opening and for a tour with Gilot of three Riviera museums. At the dinner Gilot, who is a compact, handsome woman with gray-green eyes as twinkling as the sea, sat attentive and serene. She was making a triumphant return.
In August 1946, Pablo Picasso and his young mistress Françoise Gilot were offered two spaces in a ramshackle local museum, formerly the Château Grimaldi, on the ramparts of Antibes. After the grayness and restrictions of wartime Paris it was a moment of rebirth and joy. Picasso's great work from the period is called "La Joie de Vivre" and the jubilant dancing nude in the center is Françoise. When winter began to draw in, the couple returned to Paris, leaving behind 25 Picasso paintings and 44 preparatory sketches that became the base for the rechristened Picasso Museum, the first dedicated to a living artist, according to the museum's official history.
Among the paintings left behind was a sober "Still Life With Open Wings." Picasso-influenced but by Gilot. It is a key piece in her current show and its title was prophetic: Gilot's wings were indeed open to fly and in 1954 she left Picasso.
In "Life With Picasso" (written with Carlton Lake) she describes how Picasso tried to put a curse on her future, saying, "Even if you think people like you, it will only be a kind of curiosity they will have about a person whose life has touched mine so intimately. . . . For you really is finished; it ends right here."

Terrible words, but Gilot says she was unaffected.
"People think I believed in that curse, I wrote about it because I thought it would be interesting for readers to see Picasso's perspective, thinking he could annihilate me, but he did not, even after the following year when he succeeded in having Kahnweiler end my contract. So perhaps that is what people really do not know, which is that although I had been ostracized or supposedly beheaded, my life went on."
She married a French painter, Luc Simon, by whom she had a daughter, who is studying architecture in California. In 1969, after an exhibition in Los Angeles, she met Jonas Salk, the polio vaccine pioneer. They were married the following year and live in La Jolla, California. Gilot also has studios in Montmartre and New York.
Next month a book, "Françoise Gilot: An Artist's Journey," will be published by the Atlantic Monthly Press. She has also written two poems and "Interface: The Painter and the Mask," which she describes as a philosophical work, and she is working on a book about Matisse.
She works at least 10 hours a day and, an insomniac since adolescence, wastes little time on sleep, which accounts, she explains, for her wide culture. She is daunting, this woman who has shared her life with two of this century's most consequential men and has managed a respectable career on her own: an expert horsewoman who identified more with the centaurs than with the nymphs in Picasso's drawings and whom Picasso would follow in his chauffeur-driven car as she galloped through the Bois de Boulogne in their early days together (he even thought of sculpting her as an equestrian Joan of Arc). She is a straight-backed with broad hands and a nice manner no one would mistake for weakness.
"As a person I am very nice. At the same time I do not compromise with what I believe, so in the

end people think I am not all that nice," she says. Danièle Giraudy, the curator of the museum in Antibes, says that Gilot reminds her of a Simone de Beauvoir heroine, which makes Gilot laugh.
"I see myself as somebody very natural doing what I want to do, rather willfully that's true, but not in a heroic posture." The willfulness was there from the start if one reads "Life with Picasso." Their courtship was a battle of wits. Françoise is 21 and Picasso is three times her age, besotted by her looks and brains and totally unaware of her adamant spirit. At the end she wins, the only one of Picasso's women to have done so.
"A lot of people have tried to kill me either literally or figuratively, but I move too fast and usually I'm not there when they hit," she says. "Also, I don't care what people think.
"You have to admit to that most women who have done something with their lives have been disliked by almost everyone, so if you want as a woman to be really an individual you know you are going to be disliked by almost everybody — men, grandparents, children, everyone."
Her son, Claude, and her daughter, Paloma, have come to Antibes for the exhibition (Gilot's first European retrospective), which covers the years 1943-1986, from a study of a cub and every woman at the Café de Flore during the Occupation to richly colored banners from the '80s influenced by Japanese kakemonos and tanks from Tibet. The fact that visitors might be initially attracted by the Picasso association worries her not at all. "People always say stupid things about you. In life you must do what you must do."
She was brought up in the Paris suburb of Neuilly in a family she describes as of the bourgeoisie intellectuelle. In addition to painting she studied literature and law at the Sorbonne. She saw young friends die in the Resistance and was herself taken hostage. She grew up to despise the generation that had betrayed France and to



Robert Capa's celebrated photo of Françoise Gilot and Picasso.

believe, existentially, in the importance of choice.
"We all thought we might be dead tomorrow, which in a way was a good thing because what we wanted we wanted right away. We wanted to do something right then and leave a testimony of what we had been even if we had only been it for a day."
The artists she admired were Gauguin and van Gogh — "I thought Picasso was too intellectual, although I was pretty intellectual myself." The girl with the circumflex eyebrows and the celebrated painter met in a restaurant on Rue des Grands-Augustins in Paris, where Picasso had his studio.
Françoise was as assured and as

triumphant in her youth as she would be 40 years later at the pre-vernissage dinner at the restaurant in Antibes. The famous Robert Capa photograph of her strolling on the beach shielded by a parasol that Picasso holds over her is not only lovely. Looked at closely it shows the certainty and self-sufficiency that mark her still. Gilot once said of her, "There's one thing about Françoise that I like very much. She's the kind of person who may always have remorse but will never have regrets."
The Matisse book that Gilot is writing is based in part on conversations she had with Matisse and Picasso from 1946 to 1954. De-

spite talk of their rivalry, the men were great friends once they became giants and, says Danièle Giraudy, when Matisse died Picasso mourned that there were so many things he would never again be able to talk about.
Danièle Giraudy, an alumna of the Pompidou Center, has shown great wit and flair since taking over the Picasso Museum here in 1981. A future exhibition will be devoted to the relationship of Picasso and Matisse and the influence they had on each other. It will take its title from the names of two rabbits who were the mascots of the painters who formed a camouflage contingent in World War I: Matisso and Picatisse.

DURING HIS 35 hours of testimony at the Senate confirmation hearings, Bork was criticized for "rigidity" and "inflexibility" on his views that had not changed, and criticized for what Senator Patrick J. Leahy called "this metamorphosis" on views that had changed. The judge tried to point out that his title as an estimator of nearly 20 years of almost innocuous desuetude, these laws are brought forth."
The assertion of views different from those held when he wrote as a professor in 1971 led to Leahy's charge of metamorphosis. That is a word that came into English in Sir Thomas More's 1533 writing about witchcraft (thereby lending ammunition to those who defended Bork as a victim of the "witch hunt"). It is from the Greek, "meta" meaning "change" and "morpho" meaning "change in form during the life of an organism." In its figurative meaning today, the word denotes more than mere alteration or modification of views, which is why it was rejected by Bork supporters.
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